

ENGINUITY

England & Wales · Charity number 1000328

Details

Other names	ENGINEERING AND MARINE TRAINING AUTHORITY, ENGINEERING TRAINING AUTHORITY, SCIENCE, ENGINEERING AND MANUFACTURING TECHNOLOGIES ALLIANCE, SEMTA
Status	Registered
Legal form	Charitable company
Company number	02324869
Registered	1990-09-11
Register	View on the Charity Commission register

Contact

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Activities

Objects: To promote and advance education, training and skills in science, technology, engineering and manufacturing, and in particular to advance skills in such areas as are or may be in future required by the engineering profession, for the development of: (i) persons employed or intending to be employed in Industry and / or commerce, and (ii) the public generally.

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Classification

- **How:** Makes Grants To Organisations, Provides Services, Provides Advocacy/advice/information, Sponsors Or Undertakes Research
- **What:** Education/training
- **Who:** Other Defined Groups, The General Public/mankind

Geography

- Northern Ireland
- Scotland
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£15,098,852	£16,054,726	£36,851,089	162
2024-03-31	£14,494,000	£14,134,000	£38,078,000	138
2023-03-31	£13,325	£10,995,777	£34,626,746	115
2022-03-31	£12,157,733	£10,642,575	£36,629,043	97
2021-03-31	£9,390,000	£9,863,000	£32,392,000	103

Trustees

Name	Role	Appointed
Alexia Williams		2025-01-23
Ben Carpenter-Merritt		2025-09-17
Dr Ian Ritchey		2026-02-01
Luke Jay Logan		2025-01-23
Mark Tarry		2018-06-21
Michael Evans		2017-09-28
Nicola Randles		2025-09-17
Paul Perera		2020-03-26
Rachel Wilson		2025-01-27
Sarah Lambert		2025-09-17
Sarah Sandle		2018-12-12
Selma Hunter		2017-09-28
Sharron Pamplin		2018-06-21
Sir Jim McDonald		2024-09-01

ENGINEUITY

England & Wales - Charity number 1000328

Accounts



Enginuity

Annual Report and Consolidated Financial Statements

for the year ended 31 March 2025

Company Number: 02324869

Charity Number: 1000328

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Advisors

Auditor

Crowe U.K. LLP
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St James Square
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GL50 3PR

Registered Office

Lytchett House, 13 Freeland Park
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Poole
Dorset, BH16 6FA

Investment Managers

CCLA
Senator House
85 Queen Victoria Street
London
EC4V 4ET

Board Members

Sir J McDonald GBE (appointed 1 September 2024)
Dame J Hackitt (resigned 31 August 2024)
M Evans
S Hunter
S Pamplin
M Tarry
P Birt
S Sandle
V Saward
P Perera
A Williams (appointed 23 January 2025)
L Logan (appointed 23 January 2025)
R Wilson (appointed 27 January 2025)

Investment Advisor

Portfolio Manager Consultancy Ltd
Woodwater House
Pynes Hill
Exeter
EX2 5WR

Chief Executive

A Watson

Banker

Barclays Bank plc
62/62 High Street
Watford
WD17 2BT

Solicitors

DLA Piper U.K. LLP
1 St. Peter's Square
Manchester
M2 3DE

Womble Bond Dickinson (UK) LLP
4 More London
Riverside
London
SE1 2AU

REPORT OF THE CHAIR BY SIR JIM MCDONALD GBE

Firstly, as I have succeeded Dame Judith Hackitt as the Chair of the Enginuity Group Board, I would like to thank her for her service, leadership and contributions in shaping Enginuity's reinvention. She ensured Enginuity maintained its focus on what is best for employers, confirming its role in the sector as the voice of the SME.

This year has not only marked a change in leadership for the Enginuity Board, but also in the leadership of the UK Government. As we navigate through the changes brought about by the new Labour Government, I am pleased to see that productivity and skills have been positioned at the heart of national and political conversation. This focus has made Enginuity's role as the "*sector connector*", and voice of the SMEs, all the more crucial. We also welcomed three new trustees to the board, including our first trustee representing young engineers, Alexia Williams, alongside experienced senior executive Luke Logan and HR leader Rachel Wilson. A further three new trustees will join in September.

Engineering is at the heart of many of the opportunities and challenges our country faces. By solving the skills challenges in engineering and manufacturing, we can ensure that employers have the people and capabilities required to seize the exciting opportunities created by decarbonisation, electrification, digitisation, and advanced manufacturing, to our national benefit.

In the past year, Enginuity has advocated for our beneficiaries' needs with policymakers and stakeholders across all four nations, including submitting a response to the Industrial Strategy White Paper Consultation, providing evidence to the Education Select Committee's Inquiry into Further Education and Skills and responding to the structural reforms underway in Scotland, through a formal policy recommendation.

The launch of the SME Advisory Board in August 2024 allowed us to work even more closely with SMEs, and to understand more clearly the challenges they face, in order to channel our influence and to advocate for the right policy changes. The commitment and passion of these small businesses to invest in skills and promote the important work of Enginuity Group should be commended.

2024-2025 marked the introduction of the comprehensive 'Theory of Change' impact framework to plan and capture all charitable activity and projects. The past year has allowed us to demonstrate impact for a wide range of beneficiaries, including our first SME cohort of the Lead to Succeed management development programme, scholarship funding for Masters in Artificial Intelligence & Data Science and the development of resources supporting workforce planning for SMEs.

The *Alliance* launch events in London and Scotland made the benefits of a collaborative approach to solving skills challenges clear. The past year has seen Enginuity deepen its relationship with key partners like Teesside University and the Electrification Skills Network and develop new ones with Witherslack Academy Group and the HM Prison and Probation Service, to explore how we can attract traditionally under-represented groups into engineering.

Enginuity continues to emphasise the importance of data in understanding and responding to skills challenges. We have updated our Skills Framework to support our digital products, and to deliver sector data, blended with skills expertise, to create useful insight which can guide employers and policy makers.

EAL has shown strong growth in a volatile and changeable market. It has made excellent progress with its transformation programme, continuing to integrate technology to improve internal processes and customer experience, notably launching Certify, a digital certification platform to customers this year. We continue to see the number of assessments grow, demonstrating that skills development is a key priority, regardless of qualification reform.

As a charitable group, Enginuity continues to build on its success in developing our engaged organisation, demonstrated through remarkable employee engagement ratings for the second year in a row, whilst growing overall headcount.

Next year will see the team focus on increasing the charitable impact of projects from the past year, and developing ambitious plans on four key areas: developing an engineering skills observatory providing access to high quality data and insight to our beneficiaries and stakeholders; establishing a National Policy Centre to empower supply chain SMEs; building a network of influential allies to increase the impact of what we do; and, the delivery of a number of projects to break down barriers, accelerate skills acquisition and to drive opportunities for minority groups as part of our ambitious five-year vision.

I am enormously proud of the success Enginuity has achieved this year. I look forward to working closely with my fellow Board members, Ann, and the rest of our excellent team at Enginuity to deliver our bold plans in support of UK engineering and manufacturing.

1. ADMINISTRATIVE DETAILS

ENGINUIITY is a company, limited by guarantee (company number 02324869) and does not have share capital, which is incorporated in England and Wales under the Companies Act 2006. It is a registered charity (charity number 1000328) governed by its memorandum and articles of association. The charity owns 100% of the allotted ordinary share capital of two trading subsidiaries, Excellence, Achievement and Learning Limited (EAL) – company number 02700780 and Enginuity Skills Limited (ESL) – company number 12172530.

The members of the Board who held office during the year were (see key below):

Sir J McDonald GBE (Chair) -appointed 1/9/24

Dame J Hackitt (Chair) – resigned 31/8/24

M Evans 2

S Hunter

S Pamplin 6

M Tarry 1&4

P Birt 1&3

S Sandle 3

V Seward 5

P Perera

A Williams (appointed 23/1/25)

L Logan (appointed 23/1/25)

R Wilson (appointed 27/1/25)

Committee Membership Key:

1 Member of the Investment Committee

2 Member of the Audit Committee

3 Member of the Remuneration, Pensions and Nominations Committee

4 Member and Chair of the Audit Committee

5 Member and Chair of the Investment Committee

6 Member and Chair of the Remuneration, Pensions and Nominations Committee

The Chief Executive, professional advisors and registered office of the charity are listed on page 1.

2. STRATEGIC REPORT

During 2024-25, Enginuity built on its mission to engage employers in engineering and manufacturing industries to advocate for their needs, and to develop projects and interventions to develop the skills and inspire the talent that the sector needs.

Enginuity's focus for 2024/25 was supporting small and medium enterprises (SMEs) to help them develop a skilled and talented workforce fit for the future, as these organisations are crucial to supply chains, wider sector growth, and our productivity as a nation.

Strategic engagement

Throughout the last year, Enginuity has been working with employers and policymakers from all four nations to support the engineering and manufacturing skills ecosystem.

Enginuity has engaged with multiple bodies and policymakers, including meeting with the Second Parliamentary Secretary to the Treasury to convey the impact of the Autumn Budget on SME employers. We produced multiple consultation responses on key issues facing employers including MAKE UK's Industrial Strategy Skills Commission and the Education Select Committee's Inquiry into Further Education and Skills. Enginuity also organised an Industrial Strategy Roundtable to gather SME employer views to inform another government consultation on this key topic.

We attended the first meeting of the Advisory Board for the Compressed Air and Vacuum Technician Apprenticeship, organised by the British Compressed Air Society, to explore ways to drive engagement with the standard from training providers and continue to support this important project in ensuring access for SMEs to high quality apprenticeship provision.

During the year, we have sought to give a voice to smaller employers through the creation in August 2024 of the SME Advisory Group and have engaged in proactive and positive dialogue with policymakers on identifying quick wins and driving longer-term change to support employers in engineering and manufacturing.

We started working with the National Association for Hospital Education to develop a pilot project at Alder Hey Hospital to provide our Enspire resources to children in in-patient wards. The goal is to encourage students in hospital schools to consider STEM education. There are plans in development for further pilots in more hospitals in the coming months.

Our partnership with Teesside University deepened. Alongside the scholarship support detailed in the following section, we developed, with their support and that of Innovate UK, a strategic workforce planning toolkit explicitly designed for SMEs in engineering and manufacturing, which will be rolled out more widely in 2025/26.

In Scotland, we worked closely with Skills Development Scotland to create support materials for those delivering New Engineering Standards and Frameworks. The resources are due to be published in the coming months.

Support for beneficiaries

The 2024/25 financial year saw Enginuity directly support a number of beneficiaries.

Enginuity continued its successful partnership with Teesside University to provide scholarships to support wider access to higher education. Eight students were granted scholarships by Enginuity to complete a Masters in Artificial Intelligence & Data Science. Many of the students are due to graduate in Summer 2025, with the rest over the following year. While their career paths are still unfolding, we look forward to seeing their impact on the sector. One scholarship recipient shared that “the scholarship was a lifeline for me, and I have worked very hard throughout my Masters, honouring this second chance I have received in my career.”

In the latter half of 2024, Enginuity provided bursaries to three females students, enabling them to embark on an engineering degree that, without our support, would have been unattainable to them. The opportunity has been invaluable to this student: “[before the scholarship] I’ve not been able to achieve my full potential academically and get the grades to have the same opportunities as other people with better financial support. It’s a dream come true to have the chance to excel in my degree.”

Research told us that leadership skills in SMEs was a skills gap that many small businesses could not afford to fill. Enginuity made available its internal leadership programme “Lead to Succeed” to SME leaders and managers. The first cohort completed the ‘Lead to Succeed’ leadership and management development programme in March 2025. Eight SME managers, who had never previously received any formal leadership or management training, completed the training course in March 2025. The course achieved a high overall impact, averaging 8.6/10 across key skills, including self-awareness, coaching, workplace innovation, and leadership development. One manager said “I’m a better manager, employee and colleague... because of the course.”

Enginuity Skills Awards

The Skills Awards and gala dinner took place in June 2024 saw a significant increase in the number of nominations over the previous year. In total, the awards attracted 132 entrants from 78 individual businesses, more than 300 attendees on the night and a press reach of over 5.2m. The event marked the tenth anniversary of the celebration and brought together past Best of British winners to explore the impact of the skills awards on their career and how this recognition has increased their impact on the sector. The event took every opportunity to celebrate young engineering talent: apprentices competed to design a trophy which reflected the spirit of modern engineering, and they also created the centrepieces for each table. In 2024, the centrepiece design was inspired by the idea of skills as wings.

3. STRUCTURE, GOVERNANCE AND MANAGEMENT

The Charity is governed by a Board representative of the sector. The members of the Board are trustees of the Charity and also directors for the purposes of company law. The Board meets quarterly to review progress against the agreed business plan and agree on future strategy. Responsibility for the management of the business is delegated to the Chief Executive. There are four committees which submit reports to the full Board:

- Investment Committee
- Audit Committee
- Remuneration, Pensions and Nominations Committee
- Quality Assurance Committee.

In addition, a Board Standing Committee meets as and when required and has delegated authority to approve expenditure and contracts on behalf of the Board. As directors of the company, the Board members are responsible for overseeing the company's business in a manner consistent with its charitable objectives. They are also guarantors to the company. The two subsidiaries are Excellence Achievement & Learning Limited (EAL), a vocational awarding and assessment organisation, and Enginuity Skills Limited (ESL), which is used to enter into and service commercial contracts for products/services developed by the Charity.

Enginuity measures projects, funding initiatives, partnerships, and our wider societal impact using our Theory of Change model. This allows us to measure our outputs, outcomes and our progress towards the delivery of a thriving and more productive engineering and manufacturing sector that benefits society.

Enginuity has reviewed the Charity Governance Code and mapped processes against the recommended practices. The Code is used as a tool for continuous improvement towards the highest standards within Enginuity and an action plan is in place. An external review of the Board and Committees was conducted in 2025 and will be undertaken every three years. In addition, annual Board and Committee self-assessments are carried out.

The key internal financial control procedures are summarised as follows:

Control environment

There is a clear organisational structure, with well-defined lines of responsibility and delegation of appropriate levels of authority.

Risk management

Business strategy and business plans are reviewed and approved by the Board. Detailed appraisals are undertaken and financial implications evaluated prior to all capital expenditure and projects. Risk registers are reviewed and updated by the Executive Leadership Team regularly, considered by the Audit Committee at each meeting and reported back to the Board at each board meeting.

Financial reporting

A comprehensive system of budgets and forecasts is in place, with quarterly monitoring and reporting of actual results against targets to the Board.

Control procedures and monitoring systems

Authority levels, procedures and other systems of internal financial control are documented, applied and subject to review by the Audit Committee, which consists of Board members and other members who are suitably qualified. The Audit Committee meets twice each year with the external auditors to discuss the audit plan and the results of their audit work. The auditor can meet the Audit Committee in private session as part of this process.

Investment

Investment management is delegated to professional investment management firm CCLA, with the Investment Committee supported by an independent advisor, Portfolio Manager Consultancy Ltd. The Investment Committee's role, chaired by an Enginuity Board member and supported by members who are suitably qualified, is to review the performance of the investment manager and make recommendations to the Board on investment policy and strategy.

Remuneration

Chair and senior executive remuneration and the Group's pay and reward strategy are governed by the Remuneration, Pensions and Nominations Committee, which is chaired by an Enginuity Board member and has members who are suitably qualified.

Quality assurance

The Quality Assurance Committee oversees governance of the systems, controls and processes that impact the organisation's ability to meet its legal and regulatory responsibilities. It provides challenge and advice where necessary on areas of concern. The committee aims to provide assurance to the Enginuity Group Board that there is continual improvement in the quality of governance, systems and control, in line with the group's strategic objectives.

Appointment of Board members

The appointment of Board members, for a maximum of three terms of three years, is made by trustees on the recommendation of the Remuneration, Pensions and Nomination Committee. New Board members undergo an induction to brief them on their legal obligations under charity and company law, the content of the Memorandum and

Articles of Association, Enginuity's strategy and recent financial performance and the committees and decision-making process. Board members are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

4. PUBLIC BENEFIT DISCLOSURES

Enginuity provides public benefit by:

- Supporting engineering and manufacturing to drive a positive and growing contribution from the sector, both in terms of jobs and contribution to GDP.
- Supporting employers in identifying future skills requirements and developing or sourcing appropriate education and skills solutions to upskill and reskill the existing workforce, thereby maintaining people in employment for longer, whilst also promoting the sector as an attractive and worthwhile career.
- Ensuring that individuals and employers can access high quality engineering skills training programmes, assessments, and validation, in order to keep their skills and competency relevant, up-to-date, and evidenced.
- Inspiring individuals with latent talent who may not have considered engineering and help individuals already interested in a career in engineering to understand their potential and be given opportunities for development and progression.
- Ensuring that ethics and safety of the public is integrated into all training, both directly and through partners, to create the right environment for and build trust in engineers to tackle some of society's most pressing issues, such as climate change.

In agreeing this statement of public benefit, the Board confirms that it has paid due regard to the Charity Commission guidance. The charity's activities and achievements are set out below.

5. OBJECTIVES AND ACTIVITIES

5.1 Aims and objectives

The objectives for which the company is established are for the public benefit:

To promote and advance education, training and skills in science, technology, engineering, and manufacturing, and, in particular, to advance skills in such areas as are or may be in future required by the engineering profession, for the development of: (i) persons employed or intending to be employed in industry and/or commerce, and (ii) the public generally.

Our trading subsidiary, EAL, was further established to promote and advance the education, training, and skills development of persons employed or intending to be employed in industry and commerce, and, subject to the foregoing objectives, to extend such training to members of the public. Also, in furtherance of the above objectives:

- To develop and set standards for education and training, to validate, test and monitor the standards, and to issue certificates. To provide facilities for education and training. To provide training courses, instruction, and demonstrations of all sorts.

The charity's focus remains on finding innovative ways to close the skills gap in the engineering and manufacturing sector. To maximise efficient use of the charity's resources, all future activities will be based on a response to five key problem statements as follows:

- Employers are struggling to fill current skills gaps.
- Employers are struggling to fill future skills gaps.
- The education system often cannot meet the needs of all employers, and particularly those of SMEs.
- The education system is fragmented and confusing.
- To affect change Enginuity needs to be recognised and respected as the sector connector and an approachable expert.

2024/25 was the first year utilising the comprehensive 'Theory of Change' impact framework to plan and capture all charitable activity and projects. We will build on the solid foundations and achievements that Enginuity has been recognised for in 2024/25 and will capitalise on those successes and strengths.

5.2 Key activities

5.2.1 Partnerships and projects

Our strategic objectives for 2024/25 focused on ways we could support employers in narrowing the skills gaps. They were:

- Creating a Community and Closing Skill Gaps in collaboration with others
- Sharing Insight and Shaping Policy
- Delivering Solutions with Impact
- Increasing Diversity by Removing Barriers.

Creating a Community and Closing Skill Gaps in Collaboration with others

Engagement is at the heart of what we do. We strove to further integrate Enginuity within key stakeholder groups that influence reskilling and upskilling strategies. Central to this goal was creating a community with a shared goal of closing the skills gaps impacting the sector and to increase the size and scale of our engagement team to have connect directly with more organisations and beneficiaries.

The Enginuity Alliance

Enginuity launched the Enginuity Alliance in November 2024 at the Houses of Parliament, at an event hosted by a new Labour MP and ex-engineer, Mike Reader MP. The Alliance is a movement of like-minded organisations and individuals, committed to working together to remove the barriers preventing the industry from developing the skills it needs.

The Alliance was also launched in Scotland in February 2025, at an event hosted by the Enginuity Chair, Professor Sir Jim McDonald, with keynote speeches from key partners Scottish Engineering and Skills Development Scotland.

Members of the Enginuity Alliance, also known as allies, have the satisfaction of knowing they are part of the collective action to solve the challenges facing the engineering and manufacturing sector.

The Enginuity Alliance has gained traction and brand recognition on social media following our launch events and media campaigns. More than 150 organisations have joined The Alliance since its launch, with 207 allies currently part of the movement.

Gatsby T-Level Awareness Campaign

Enginuity is working with Gatsby and other partners to raise awareness and understanding of T-Levels among employers in engineering and manufacturing. So far, an advocacy group has been set up, and research has been conducted with T-Level providers. We created and maintained a new page on the Enginuity Website to provide clear information to SMEs about T Levels, which has been visited 973 times. In October 2024, Gatsby and Enginuity developed and launched a marketing campaign to reach SMEs. The most recent campaign received 77,769 impressions, 25,783 video views, and 91 clicks on LinkedIn, and drove 237 small or micro businesses in engineering to learn more about T Levels. We are pleased with the impact that Enginuity is having on SMEs, and Gatsby has extended the project until December 2025.

National Manufacturing Taskforce

The National Manufacturing Skills Taskforce (NMSTF), facilitated by Enginuity, addresses the skills gaps hindering employers and the education system's struggle to meet employer needs. The group brings together representatives from unions and employers to collectively address the skills challenges facing all parts of the manufacturing sector.

This year, the taskforce has undertaken many activities to positively influence policy, including submitting a joint taskforce response to the industrial strategy Green Paper and sending a letter to the Chair of Skills England regarding issues with SMEs upskilling their workforce. Furthermore, the taskforce has partnered with the Government and other organisations on key initiatives such as the FE Skills White Paper, HGV Driver Shortage and the No 10 Skills Delivery Plan. With the support of Enginuity the NMSTF has developed strong links with the Department of Business and Trade, Department for Education and the Department for Work and Pensions.

Sharing Insight and Shaping Policy

Enginuity has delivered insight and thought leadership that supports SMEs and employers, enriches the engineering and manufacturing sector and informs the development of impactful solutions and policies, both internally and externally.

Enginuity Future Skills Hub

Cognisant of the rapid transformation of engineering and manufacturing, Enginuity launched its Future Skills microsite in March 2024 to demystify the skills, technologies, and transitions reshaping industry, and help particularly smaller employers understand the skills they need to keep pace with change. Enginuity worked with partners, including The Green Edge and Made Smarter, to ensure that the hub provides a wealth of invaluable information.

The Enginuity Future Skills Hub holds a wide range of accessible, bitesize resources on the skills related to emerging technologies, highlighting popular topics through interviews, case studies, and podcasts. During 2024-25, two new sections were added: Demystifying Electrification and Demystifying Hydrogen, with more topics to come. The Future Skills Hub received 3601 views to the end of 2024/5.

Women in STEM Apprenticeships: Employers' Guide

Enginuity has developed an employer's guide to attract and retain more women and girls into STEM apprenticeships. The Women in STEM Apprenticeships Guide presents practical advice and insights for employers to help women and girls overcome the barriers they face when accessing STEM apprenticeships. These STEM apprenticeship resources have been designed around four key themes: attract, recruit, support and retain. The resource guide was successfully launched at the end of March 2025.

Changing Attitudes to Vocational Education

In August 2024, ahead of the first T Level Results Day, for engineering subjects, we ran a survey to understand if and how attitudes to vocational training are changing for young people and their parents. Parents and children, aged 11-18, in 1,000 households across England were surveyed. The results revealed a significant shift in attitudes towards vocational routes into employment. Nearly 90% of parents are now more interested in vocational routes as a pathway for their children to enter their chosen careers, instead of the traditional university path. As for the children surveyed, 82% said they would be interested in more vocational routes to enter their chosen career. This data has been referenced in the UK Quantum Skills Taskforce report released in May 2025.

Policy

During 2024/5, Enginuity established a specific policy team investing more resource into this important area with an ambition to shape and influence Government skills policy. Over the past year, Enginuity has collaborated closely with our stakeholder groups, including the SME Advisory Group, the Strategic Advisory Group and the National Manufacturing Skills Taskforce to gather insights from employers and other stakeholders to advocate for the development of policies aimed at closing skills gaps across the UK. By implementing a more formal policy governance process, we have been able to research and advocate these policies to Westminster and the devolved governments focusing on areas of priority based on potential interest and political significance.

In our Industrial Strategy response, we welcomed the government's approach to economic growth and its emphasis on cross-cutting policy issues that deter investment, such as workforce skills. We strongly represented the voice of SMEs, urging the Government to avoid narrow sector definitions that could inadvertently impact SMEs in the manufacturing and engineering sector. We championed the role of SMEs as essential contributors to these sectors, recommending that the Government adopts a flexible approach to sector definitions, since most SMEs do not fit neatly into a single category.

Enginuity has also addressed the policy connection between achieving net-zero and the skills needed for it. This work includes submitting evidence to the UK Parliament's Energy Security and Net Zero Committee, meeting with officials from various government departments, and contributing to Skills England's early outreach to stakeholders on green skills.

Additionally, we have worked closely with the Department for Education (DfE) to provide feedback on behalf of the SME community regarding initial proposals for the foundation apprenticeship product. Ensuring that the apprenticeship

system meets the needs of SMEs remains a significant focus of our efforts and will continue to be for the financial year ahead.

We are also scaling up our advocacy work in Scotland, particularly considering the major structural reforms currently underway in the skills landscape. We have developed policy recommendations to protect the strengths of the existing modern apprenticeship system in Scotland and to prevent any unintended consequences that may arise from shifting funding and responsibilities within the Scottish Government. We have presented these recommendations to parliamentarians, government officials and supportive stakeholders.

Delivering Solutions with Impact

In 2024-25, we consolidated existing projects and interventions to ensure that they have an impact measurable through the Theory of Change model. We also utilised our existing partnerships and sector knowledge to produce new solutions to close skills gaps.

Automotive Upskilling/Reskilling Programme

The Automotive Upskilling/Reskilling Programme was a pilot initiative designed to test a new approach to skills development in the automotive sector, focusing on electrification and digitalisation training. The project has two key aims: the first to address the challenges faced by employers in identifying upskilling needs; and secondly overcoming the fragmented nature of accessing training for the existing workforce across the UK automotive sector by providing visibility and access via a single online platform.

Enginuity was a key partner in this pilot, actively working closely with the Automotive Skills Working Group members, SMMT and the Department for Business and Trade.

The pilot successfully engaged 121 stakeholders who registered on the platform, demonstrating strong initial interest. Notably, 40 users have already returned to the platform post-registration indicating encouraging early adoption by training providers, employers, individuals, and intermediaries. The success of the pilot has led to an announcement of its expansion across all sectors of Advanced Manufacturing as part of the Government's Advanced Manufacturing Plan published in July 2025.

Electrification Skills Network

Funded by UK Research and Innovation (UKRI) and led by Coventry University, the Electrification Skills Network was created to develop a solution to increasing electrification skills attainment and therefore productivity in the UK. It brings together employers, training providers, and accreditation organisations enabling them to collaborate on the development of a dynamic electrification skills framework that highlights and addresses key skills gaps.

Enginuity was a consortium member who bid alongside Coventry University and other partners for the UKRI funding. Enginuity, maximising its substantive employer engagement network, led the employer workstream for the automotive and aerospace sectors. We conducted a detailed mapping exercise that is helping to shape a dynamic roadmap and engagement plan. The plan will help employers to identify skills gaps, procure the proper training, network with similar organisations and contribute to the framework content. Following work during 2023 and 2024, over 210 employers, 44 trade/sector bodies and 29 funding bodies have been mapped and contacted.

The framework is due to go live in June 2025 and once complete, will deliver a comprehensive reference point for electrification skills, providing the essential connections, guidance, and best practices for industry, while also contributing to a thriving electrification ecosystem.

This project also led to a partnership between EAL and UKBIC to develop the first fully regulated qualification in Battery Manufacturing, which was launched in June 2025, with more qualifications planned to support the growth of this vital sector in the UK.

ADS Role Explorer and ADS Skills Comparator

ADS is the specialist trade association for the aerospace, defence, security and space sectors. Enginuity supported ADS members in raising the awareness of opportunities within the sector to adults, culminating in a launch at the Farnborough Air Show in July 2024.

Role Explorer and Skills Comparator are two interactive online tools developed by Enginuity to support outreach and engagement for the ADS Group at the Farnborough Airshow 2024. Designed to inspire and inform, the Role Explorer showcases a wide range of career opportunities across the aerospace and defence sectors, providing insights into key responsibilities, required skills and related roles.

Complementing this, the Skills Comparator enables users to explore career options by selecting their current occupation, identifying the relevant skills within that role that could be applicable in demand roles in the sector. Each user gets a personalised recommendation of roles which may fit their skills and experience and customising their profile with five additional skills. The tool then suggests matching roles within the ADS sectors, helping individuals discover how their unique skillsets align with exciting career pathways. In 2024/25, ADS Role Explorer had 1,500 interactions and ADS Skills Comparator had over 1,700 interactions. Enginuity supported this initiative by providing its IPR free of charge

Cell and Gene Therapy Catapult's Career Converter

Enginuity's continued support of the Cell and Gene Therapy Catapult's Career Converter digital product continued to attract talent to the advanced therapies sector by helping individuals understand how their existing skills could transfer into this field and providing a pathway for upskilling and transitioning into 16 key roles within vaccine production and distribution. Enginuity supported this initiative by providing its IPR free of charge.

The Career Converter tool has seen 1,088 users since its launch, with over 300 of those users in the current financial year. The tool has successfully provided users with detailed career pathways, skills development guidance and industry partnerships. Despite its impact, the Career Converter was closed at the end of 2024 due to a lack of funding.

Lead to Succeed

Lead to Succeed is a 13-month leadership programme designed to develop essential meta-skills in management teams of small and medium-sized enterprises (SMEs), particularly in the engineering and manufacturing sectors.

The programme aims to provide SME employers with engaged and committed employees who possess strategic thinking skills aligned with the business objectives. During the course of 2024/25, eight SME managers completed the Lead to Succeed programme and a further 8 began a new programme.

Participants develop skills in self-awareness and empathy, motivation and trust, constructive challenge, coaching and mentoring, inclusive leadership, effective change management, and workplace innovation. Evaluation forms indicated the programme's positive impact on employees, their teams, and their organisations. Post-completion feedback shows that participants felt they improved their skills in these areas, with impact ratings ranging from 8/10 to 10/10 for each skill.

Knowledge Transfer Project

In partnership with Teesside University and Innovate UK's Knowledge Transfer Partnership, Enginuity secured funding to research and develop a Strategic Workforce Development Planning Tool for employers within the sector.

To inform the development of a solution, Enginuity conducted a workforce planning survey amongst engineering and manufacturing employers, which concluded that businesses of all sizes are faced with the challenge of organisational development in the context of a changing environment.

Enginuity published 'Understanding Strategic Workforce Planning Needs in Engineering and Manufacturing: An Enginuity Report' in April 2024. The research found that, given the widening skills gap brought on by changes in policy, technology and the overall economic landscape, Strategic Workforce Development Planning is vital for engineering and manufacturing organisations of all sizes to remain competitive.

The survey highlighted a significant need for Strategic Workforce Planning (SWP) tools as businesses, particularly small employers, struggle to attract new talent, retain skilled colleagues, and build a workforce with a multifaceted and future-proofed skillset, and have little time to develop them themselves.

Based on these outputs, a SWP Framework was built, with several SMEs involved to ensure it was fit for purpose and to test the proof of concept. We are currently adapting the framework and tools into workable and deliverable sessions, which we plan to deliver across the sector in the near future.

Increasing Diversity by Breaking Down Barriers

The Enginuity team identified and developed projects to remove barriers to attracting and retaining untapped or under-utilised talent sources, with the goal of making the sector more attractive, and more accessible to a wider audience.

Witherslack Group Partnership

In collaboration with the Witherslack Group, a leading provider of SEND education, this initiative focused on breaking down barriers to STEM careers for young people with Special Educational Needs and Disabilities (SEND). Many individuals with SEND struggle to access clear pathways into engineering and manufacturing, due to limited resources and knowledge within employers, and a lack of tailored support. Enginuity is collaboratively developing inclusive career guidance and accessible resources to inspire and equip neurodiverse students for careers in STEM.

So far, the project has facilitated introductions between Witherslack and organisations such as Siemens, 3D 360, AMRC Cymru, Foothold and JJA Snack, with JJA offering factory visits and support. Enginuity is also exploring partnerships with the ADHD Foundation.

HM Prison and Probation Service

Enginuity is tackling the engineering and manufacturing skills gap in welding by building stronger links between prisons, education providers, and employers. Creating a pipeline from prison education to sustainable employment, this project supports individuals with the skills and certifications needed for their successful re-entry into the workforce. It also includes targeted outreach in women's prisons to help increase female representation in engineering and manufacturing roles.

Over the past year, Enginuity has begun laying the groundwork for a long-term partnership with the prison service to explore how best to develop engineering and manufacturing skills within the prison system. As part of these early efforts, we have helped facilitate the distribution of surplus copies of trade publications like The Manufacturer to both men's and women's prisons. This initiative aims to raise awareness of the industry, while also supporting literacy and educational engagement.

6. ACHIEVEMENTS AND PERFORMANCE

6.1 Enginuity performance in Numbers

7,000+ individuals across the engineering and manufacturing sector engaged with our charitable work and projects.

15 partners collaborating with Enginuity to deliver project impact.

2,566 apprenticeship certificates issued, representing new or upskilled talent.

33,000+ engagements with resources to inspire young people to consider a career in engineering.

Certification

Enginuity is a member of the Skills Federation (FISSS) and is trusted and approved to process apprenticeship registrations and certifications in the Apprenticeship Certification England (ACE), Apprenticeship Certification Wales (ACW) and Modern Apprenticeship Certification Scotland (MA Online) systems on behalf of the respective Governments. This is an important role, as Enginuity is responsible for ensuring that individuals have achieved the required qualifications and level of competence on which to receive their apprenticeship certification.

The ACE system closed for claims and certifications on 31 March 2025, following the closure to new registrations in 2020.

Certificates authorised 2024/25:

England (ACE)	476
Wales (ACW)	1,334
Scotland (MA Online)	756
Total:	2,566

Enginuity plays a key role in validating evidence for apprenticeship frameworks against the requirements of a full range of apprenticeships in engineering and manufacturing across England, Wales and Scotland. Only when Enginuity is satisfied that the requirements have been met, will a certificate be issued. During 2024/25, Enginuity was responsible for producing around 2,600 certificates, including reprints.

NOS and Apprenticeship Frameworks

National Occupational Standards (NOS)

Enginuity is responsible for maintaining and updating a range of around 2,500 National Occupational Standards used in Wales, Scotland and Northern Ireland, which form the basis for each country's technical qualifications suite. Additional NOS are added as required in response to industry demand.

Skills Development Scotland (SDS)

Enginuity was contracted by Skills Development Scotland to review the National Occupational Standards (NOS) for Semi-Conductor Manufacture to ensure they are fit for purpose for the sector.

A pilot took place in 2023/24 in which Enginuity participated to examine the alignment of NOS to Scottish Apprenticeship Standards (Work Situations). Enginuity took part in further pilot activity in 2024/25 to reformat and repackage NOS, looking for similarities and transferability across sectors and industries.

Enginuity recommended the need to rationalise the volume of NOS without losing high-quality content and important granular detail that informs qualifications and frameworks underpinned by NOS.

6.2 EAL performance

Excellence, Achievement and Learning Limited (EAL) has shown good performance in achieving its financial targets and in delivering its business plan objectives and transformation plan. It has continued to improve and expand its use of technology to support customers, including launching a new digital certification platform, Certify. This move allows EAL centres to shift to a secure digital-first certification approach.

Customer experience highlights

EAL works with 597 centres offering 258 qualifications, which is a portfolio of more regulated engineering qualifications than any other awarding organisation. During 2024/25, EAL registered 79,321 students and issued certificates to 61,545 students in recognition of their achievements. Registration volumes are similar to 2023/24 levels, whilst certification has decreased by around 3,000.

In EAL's continued drive for service excellence, the annual customer satisfaction survey, conducted independently by TLF Research, continues to provide invaluable insight into the journey to deliver the highest levels of service to customers. In 2024/25, EAL achieved their highest ever customer engagement rate for the annual EAL Customer Satisfaction Survey, with a 22% increase on responses from last year. EAL continue to have high levels of customer support with a healthy net promoter score of 42.3 and customer satisfaction of 82.7 (range -100 to +100).

EAL Achievements

Significant successes during 2024/25 include:

- Implementing a new EAL Certify digital certification platform, which transforms how EAL approved centres manage and issue certificates, to shift to a digital-first approach. Since its launch, more than 25,000 digital certificates have been issued.
- Winning the tender to deliver Building Services Engineering T Levels in partnership with WJEC/Eduqas.
- Securing a partnership with UKBIC to develop Level 2 and Level 3 Battery Qualifications, in support of the engineering and manufacturing sector.
- Establishing an EAL-led industry network.

Quality assurance, compliance, and governance

EAL continues to review its governance, quality, and compliance policies and processes to ensure they are fit-for-purpose within the current regulatory landscape. Over the past year, EAL has focused on strengthening regulatory reporting and compliance oversight, identifying areas for improvement, and ensuring that colleagues with the required competencies are leading these efforts. Specialist resources have driven positive changes in assessment quality and standards and will continue to do so in the coming year, streamlining processes and documentation.

Products and services

EAL fulfils an important role in support of Enginuity's charitable objectives by ensuring that employers and individuals have access to high quality technical qualifications and assessments. During the last year, EAL launched 20 new qualifications.

The Product Team continued to review and maintain its existing qualifications portfolio. Out of 54 qualifications reviewed, 28 have received important updates to ensure they remain valid and up to date for customers and learners.

EAL has also added 7 new End Point Assessment (EPA) standards to its portfolio. Additionally, 12 new EAL "Approved" courses have been validated. EAL's EPA portfolio currently stands at 35 standards, with 61 versions available.

EAL continues to work with City & Guilds as the delivery partner for Generation 1 of the Engineering & Manufacturing and Construction & Building Services Engineering T Level technical qualifications, ensuring young people have access to another important entry pathway into the sector.

Following a competitive tendering process by IfATE, WJEC/Eduqas, in partnership with EAL, was awarded the contract to develop and deliver the next generation of T Levels in Building Services Engineering for Construction.

During 2024/25, EAL has continued to deliver strongly against its key performance measures and financial targets across both its awarding organisation and End Point Assessment services. Income has grown steadily year on year, despite wider economic challenges, though at a slower pace than originally anticipated in the vision.

Over the past three years, EAL has donated over £9 million to the charity. This funding has allowed Enginuity to be more ambitious in its impact and directly supports the various charitable activities to deliver solutions, increase diversity by breaking down barriers, drive collaboration and community within the sector, and shape policy and insight to advocate for the skills development needed to support engineering and manufacturing growth. These activities are featured above and in previous annual reports.

Future plans

EAL continues to make good progress against the objectives within its ten-year vision designed to elevate and expand the EAL business, and support Enginuity in the achievement of its charitable objects.

Specific milestones for 2025/26 will include:

- Being the leading awarding organisation and end point assessment organisation of choice for engineering, manufacturing and related industries, generating a growing surplus for the charity to invest in projects and activities support of the sector.
- Diversifying and growing revenue streams in line with the group's charitable objectives through opening wider channels to market
- Driving scalable efficiency and effectiveness by design in systems and operating models, with improved financial and data forecasting and long-term planning tools.
- Elevating and optimising EAL's profile, brand, and voice in the market as the kitemark of quality and industry engagement.
- Broadening the range and improving the quality of assessment services, to enable EAL to easily respond to policy changes across the four nations.
- Driving exceptional experience throughout internal/external customer journeys, to achieve a point of differentiation.
- Ensuring that EAL has the right structure and capability to meet our growth needs.
- Embedding our governance & CI framework in the business to deliver high levels of compliance, improvement, assurance, and quality.

6.3 Brand engagement

Enginuity

Enginuity continues to focus on cultivating its brand voice, including building social media engagement through the charity team, increasing page followers by 31%, and reaching on average 6,300 LinkedIn members per month. To create more impact and, particularly with SMEs, it is important that Enginuity raises its brand presence.

In October 2024, Enginuity launched a new website, which more clearly articulates Enginuity's purpose, activities and impacts. Since October 2024, the site has had more than 45,000 visitors.

In February 2025, Enginuity launched the Steph on Skills: Powered by Enginuity podcast hosted by presenter and journalist, Steph McGovern. The podcast aims to raise awareness of the skills gap in engineering and manufacturing, with each episode bringing insightful conversations with industry leaders, game-changers, and those shaping the skills landscape. Episode 1 of the podcast, released in February, received 32,908 impressions, 461 engagements, and 104 post link clicks across Instagram and LinkedIn. Episodes have addressed welding skills gaps, the challenges of being a female engineer and inspiring the future generations. Guests have included Ruth Amos from Kids Invent Stuff, Mel Stewart, an award-winning welder and Mike Reader MP.

Enginuity's renewed commitment to online, print and broadcast channels achieved an overall reach of 44.3 million. Paid social media, targeted to support skills solutions and activities including Future Skills Hub and the Steph on Skills podcast: powered by Enginuity, delivered positive results and contributed to website traffic.

PR coverage for the Enginuity Skills Awards resulted in media and online coverage with a total reach of over 5.2 million. Additional activities achieving significant reach included support for T Levels, apprenticeship awareness days in England, Scotland and Wales, the Alliance and the sponsorship of the Leeds Manufacturing Festival.

EAL

EAL focused on positioning itself as the specialist awarding organisation for the engineering and manufacturing sector, working with industry, educators, partners, and policymakers to deliver optimum products and services, and be a voice for learners and employers in this crucial sector in the net-zero transition.

EAL has invested in growing the audience for its own digital channels, with EAL hitting 5,000 followers for its LinkedIn page for the first time, an increase of just under 2,000 followers from January 2024. Investing in broader brand awareness through targeted thought leadership and media partnerships, has recorded a total reached of nearly 41m in 2024/25.

EAL's team of technical advisors has run 42 events and webinars in 2024/25, reaching more than 722 customers to support with product-related queries, curriculum design and raising awareness of EAL's optimum product offer in key sectors.

6.4 Our people achievements

Recruitment and Onboarding

As the organisation continued to grow through 2024/25, we supported the recruitment and onboarding of 63 new colleagues between 1 April 2024 and 31 March 2025. A strong focus was placed on ensuring a welcoming, inclusive and well-structured onboarding experience for every new starter.

Feedback from new joiners showed us that our approach was successful:

- 93% felt well informed about the onboarding process.
- 90% said their manager maintained regular contact prior to starting.
- 100% reported that the recruitment and onboarding process was inclusive and accessible.

We also played a key role in strengthening our governance by supporting the recruitment of a new Chair, Sir Jim McDonald and three new Board Trustees to complement and enhance the Enginuity Group Board.

Digital employee experience

This year also marked the successful launch of our new HR system, HiBob, significantly improving efficiency, reporting capability and the user experience for colleagues. As a result, we achieved a time-saving equivalent to 206 days across key people processes.

Key developments included the integration of the performance review process into HiBob, delivering greater clarity of objectives, more effective feedback mechanisms and an improved user experience, as well as a complete review and relaunch of our contractor hiring process, including the introduction of a new Contractor Management App, providing improved oversight and streamlined workflows.

Employee Engagement

We continued to prioritise listening to our colleagues and their feedback. Through the Hive employee engagement platform, we ran our annual survey alongside regular pulse checks. In the November 2024 pulse survey, 83% of employees responded and our engagement index score was 7.9. We achieved an employee Net Promoter Score of +31, reflecting a strong sense of advocacy among our workforce.

To further support collaboration and build a positive culture, we launched Social Connections, an initiative designed to help colleagues connect and build relationships across teams. We also celebrated together through a virtual festive event, recognising the achievements and contributions of our people throughout the year.

Reward and recognition

We continue to ensure we have a competitive reward and benefits offering and undertake regular reviews and benchmarking against the market to ensure pay and benefits are competitive. Ahead of a change of pension providers in 2025, we have consulted with colleagues to keep them informed of the change.

Take up of flexible benefits remain high in 2024/25, with 37% of colleagues buying additional annual leave and 98% part of our healthcare cash plan.

Health and Wellbeing

We continued to build on our wellbeing offering, with training 11 new Mental health first aiders in 2024/25. Our current mental health first aiders received refresher training. 17 Mental Health First Aiders are now in place to support our colleagues across the business.

In recognition of the economic challenges facing our colleagues around the "cost of living crisis", we partnered with Wealth at Work to offer financial management education workshops and ongoing support from a financial coach, supporting our colleagues with good financial wellbeing. 50% of our workforce attended and 60% requested follow-ups with a financial coach.

Learning and development

In 2024/25 we refreshed our Learning and Development strategy, to better support the wider organisation. We launched skills matrices to inform strategic workforce planning and learning across the group. More than 670 hours of learning has taken place across the organisation in 2024/5, supporting the continuous development of our colleagues' skills and ensuring the business has the skills now and for the future. Over 2,000 hours of Ihasco training has been completed, ensuring compliance to key policies and regulations.

Leadership development

30 of our people managers completed their 13-month Lead to Succeed journey and our second cohort of 14 managers commenced the programme with the following results:

- 100% of Cohort 1 said they have changed the way they lead and manage as a result of the programme.
- 100% said they feel their leadership skills have improved.
- 100% said they are more confident in leading their teams.

Diversity and Inclusion (D&I)

D&I continues to be a strategic pillar in our people strategy, and we strive to develop an inclusive culture where differences are valued. Having achieved Silver Accreditation in the Clear Assured global standard for diversity and inclusion, we are now well on our way towards Gold, with an aim to achieve this by the end of 2025/26.

In 2024/25 we have continued to drive our inclusion strategy through inclusive leadership training for managers as part of our 'Lead to Succeed' mandatory leadership programme, as well as a continued calendar of education and awareness for all colleagues, including an Allyship Webinar for all colleagues as part of Black History month.

Looking ahead

Our core areas of focus for 2025/26 include a refreshed approach to performance management, the launch of a values-based recognition scheme and the continuation of strategic workforce planning to ensure we have structures, skills and capabilities to ensure we are fit for the future.

7. FINANCIAL REVIEW

Our overarching strategic financial objective is to be a sustainable charitable group with a growing surplus that is invested in activities and a positive impact to the UK engineering sector. Our updated organisational strategy includes ambitious growth plans that deliver demonstrable impact to our sector. Underpinning that work, we continue to ensure that our organisation is fit for the future, with the right infrastructure and capabilities to fulfil our ambitions.

We are financed by the sector through EAL, our awarding organisation and, to a lesser extent, direct funding of our charitable products and services. Overall, we are in a strong financial position. EAL is an established business which makes a secure source of income and Enginuity has strong reserves built up through careful fiscal management.

Overall income for the group is 2% under budget at £15.1m; this is a 4% growth on the prior year of £14.5m, despite the economic environment. EAL margin is higher than the budgeted 10%, at 14%, as cost savings across shared services has more than negated the drop in income. In line with our long-term financial strategy to drive the percentage of shared services down, we have reduced costs in shared services wherever possible. Group expenditure of £16.1m is 12% below budget, mainly due to staff vacancies across the year and bought in services.

The operating deficit of £1.0m is before loss on investments of £0.3m. Taking this into account, the total decrease in funds for the group this year is £1.3m.

The group remains in a strong financial position with a closing reserve position of £36.8m, well above our maximum policy level of £27.5m, with a Board approved strategy to spend down £10m of reserves to deliver charitable impact over the next 3-5 years.

The key drivers of the financial result were:

- continued growth in EAL services
- income from bank interest and investments, and
- reduced expenditure in the year due to staff vacancies and strong cost control.

Investments saw an unrealised loss of £0.3m for the year ended 31 March 2025 (2023/24 unrealised gain of £3.1m). £4.0m of investments were liquidated in 2024/25, taking the investment portfolio to a value of £28.3m

EAL trading subsidiary produced a net surplus of £2.0m (2023/24 net surplus of £3.5m).

The results of the trading subsidiaries are detailed in Note 3(b).

8. INVESTMENTS

The Board's policy, reviewed annually, requires its investments to be managed actively in line with an agreed approach, which ensures that appropriate levels of targeted risk is adopted, and return is achieved. The long-term investment return expectations from the portfolio are set as a total return of inflation plus 3.5 per cent per annum, after expenses. The last five years annualised performance is +7.9% after fees and expenses compared to CPI+3.5%: 8.4%.

Our investments were valued at £28.3m at the end of the financial year and these are solely managed by CCLA. The CCLA Good Investment approach is guided by three imperatives; 'Align with client values', 'Assess company fundamentals' and 'Act for change' by going beyond ethical restrictions to better work engagement themes, such as tackling modern slavery, mental health, and climate action. CCLA's ability to do good in the world extends far beyond the assets they manage by influencing the behaviour and policies of major companies and their employees.

The performance of the portfolio is reviewed quarterly by the Investment Committee, in conjunction with the Investment Manager. Market performance is monitored by Portfolio Manager Consultancy Limited, who report to the Committee every quarter.

Investment income generated is reinvested in the portfolio through an accumulated fund, rather than being paid to a nominated bank account. The overall value of the investment fund reduced by £4.3m, due to unrealised losses of £0.3m and the liquidation of £4m (2023/24 gain of £3.1m).

9. KEY RISKS AND UNCERTAINTIES DISCLOSURES

As with all organisations Enginuity Group is exposed to a cyber-attack. We use advanced email security to block phishing and malware, with alerts for quick action. Our network is protected by firewalls and monitored by Darktrace for real-time threats. We also provide regular security training, use cloud-based tools for instant alerts, and complete Cyber Essentials audits to ensure strong security measures.

The skills infrastructure is extremely fluid, leaving Enginuity and EAL potentially vulnerable to unfolding changes. Market volatility impacts delivery of business plans and financial targets, and the economic climate continues to exert financial pressure on stakeholders. The organisation is required to keep pace with changes in education policy and qualification reforms. Government skills requirements and policies are closely monitored to assess their potential impact on the market, as well as on our business plans and budgeting. We have established processes to identify additional funding opportunities and incentives. The potential effects of policy changes are regularly evaluated through scenario planning discussions at EAL Senior Leadership Team meetings. Additionally, our pipeline and income are monitored daily, with ongoing reviews of costs to ensure we operate efficiently and effectively.

Volatile inflation leads to a potential higher cost base, affecting our ability to maintain our pricing strategy. Interest rate fluctuation impacts the value and returns from investments. Any lack of appetite from the sector for commercial opportunities may impact income diversification. Enginuity has a long-term investment strategy in place, with quarterly monitoring by the Investment Committee. The Board of Enginuity Group has ultimate responsibility for overseeing the budget of the organisation. The Board approve annual business plan budgets and multi-year strategy and budget projections, monitoring progress against these and ensuring that the organisation is managing cash flow and reserves prudently. The budget holders are responsible for the business plans and budgets for their departments. They are accountable for spending and should ensure that they are fully aware of any variances to budget, being able to explain these variances as required.

Enginuity must meet the challenge of demonstrating how its work aligns to public benefit, and this will be addressed through the implementation of the 'Theory of Change' framework. All projects and charitable initiatives must align with the Theory of Change and the outcome framework. Business plans have been approved by the Board, and the annual report highlights significant activities. The Board has also approved a 10-year financial strategy aimed at investing 65% of charitable spending in charitable activities.

People challenges include a highly competitive recruitment market potentially affecting increased staff turnover and leading to difficulty in attracting new recruits. Enginuity conducts annual salary benchmarking and a continuous review of benefits to ensure that it remains competitive. A programme of strategic workforce planning is in place to address succession issues.

10. PLANS FOR FUTURE PERIODS

The Enginuity business plan for 2025/26 builds on the strong foundation and achievements recognised during 2024/25. Our plan builds on these successes and strengths.

Our aim is to continue to develop Enginuity's position as a sector connector, making a significant impact in closing the skills gap, advocating for SMEs, and becoming an organisation respected for its contributions to the engineering and manufacturing sectors. As an impact-driven, solution-agnostic organisation focused on macro-level issues, we hold a unique position in the field.

The plan for 2025/26 is structured around six core objectives: expanding our reach, delivering high-quality research and insights, championing SMEs, removing barriers, deepening partnerships and stakeholder relationships, and measuring impact. These principles will guide all activities in the coming year.

Expand our reach

Enginuity will increase the quantity and quality of engagement and reach, using the increased awareness of the charity to deliver on the problem statements and inform insight, policy consultation, solution delivery and development.

Deliver research and insight

We will build on the success of our Skills Framework to blend unique data with skills expertise to create actionable insight which is easily accessible for users, covering engineering and manufacturing. We plan to optimise technology to draw on more data sources and to generate our own unique employer data. During 2025/26 we will be launching an Engineering Skills Observatory.

Champion the SMEs

Through effective and mutually beneficial relationships and communication, Enginuity will further develop policy that is recognised as being the voice of, and for, the SME and supply chain. Work will begin this year to create a National Policy Centre for Supply Chain and SMEs to amplify our policy work and provide further support to the SMEs who are so critical to the sector but often overlooked by Government policy changes.

Remove barriers

Enginuity will identify and remove barriers to attracting and retaining untapped pockets of talent, making the sector more attractive and accessible to a more diverse, future-proofed workforce. Enginuity will increase its efforts to attract and retain untapped talent through Skills Accelerator projects. Working in partnership with education providers, employers, and community organisations, these initiatives will support under-represented groups

Partnerships and stakeholders

Enginuity will continue to focus on the strategic development of partnerships and collaborative working with industry, government and education and engage more widely to raise brand profile, supporting delivery of all objectives. Building on the success of its collaboration with Steph McGovern, Enginuity also aims to establish a group of Alliance Fellows; a group of recognisable individuals with engineering backgrounds or influence, who can purposefully use their celebrity to increase awareness of Enginuity's initiatives, help drive momentum and get them to act as sponsor for projects of interest.

Measure impact

We will continue to measure projects, funding initiatives, partnerships, and our wider societal impact using a Theory of Change model. This allows us to measure our outputs, outcomes, and our progress towards the delivery of a thriving and more productive engineering and manufacturing sector that benefits society.

11. RESERVES

The Board reviews its Reserves Policy on an annual basis. Taking a largely expenditure cover-based approach, our Reserves Policy is to hold enough funds to cover our pension liability, deferred income, operating expenditure, and closure costs. Enginuity has set a minimum level of reserves of £18m for 2024/25 and a maximum target level of reserves of £27.5m to allow for flexibility, whilst ensuring continuous operations and the delivery of business plans.

Any surplus over the reserves maximum target level is to be used to invest in charitable activities delivering impact to the sector. Free reserves at the end of 2024/25 were £36.8m, £9.3m over the required policy. The Board has approved the expenditure of £10m over the next five years as part of the long-term financial strategy. This funding will be used as working capital and seed funding to charity activities and initiatives positioning Enginuity as the sector connector, making increasing impact in closing the skills gap, giving voice to SMEs and becoming an organisation that is respected and recognised for its contribution to the engineering and manufacturing sector. Four big initiatives over the coming year are:

1. Establishing a National Policy Centre for the supply chain and SMEs.

2. Skills Accelerator by breaking down barriers to drive opportunities for groups in the minority.
3. Create Engineering Skills Commentary, data reports and insights.
4. Alliance of Fellows who can help increase impact and momentum.

Reserve 2024/25 minimum	£'000
Pension S75 debt provision	3,200
Deferred Income	4,533
Cover for 6 months expenditure*	9,459
Close down costs**	818
Total Reserves Policy	18,010
Reserve 2024/25 maximum	£'000
Pension S75 debt provision	3,200
Deferred Income	4,533
Cover for 12 months expenditure*	18,965
Close down costs**	818
Total Reserves Policy	27,516

*Based on the annual budget

** Calculated annually

12. GOING CONCERN

The trustees consider that there are no material uncertainties about Enginuity's ability to continue as a going concern. Enginuity Group has a 10-year financial strategy and has prepared an annual Group budget and forecast the outturn each quarter. The financial plan is to spend down up to £10m of reserves over the next few years but with a changing landscape within government policy and the funding of qualifications the organisation has adequate time built in to respond. Enginuity is a going concern with adequate cash and investments.

13. KEY MANAGEMENT PERSONNEL REMUNERATION POLICY

An annual benchmarking exercise is conducted which involves reviewing other organisations within the same/similar industries. Recommendations are then made to the Remuneration, Nominations and Pensions Committee, where a final decision is made as to the total reward and remuneration package.

14. PENSIONS LIABILITIES

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid, the company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in other creditors as a liability in the Statement of Financial Position. The assets of the plan are held separately from the company in independently administered funds.

Enginuity is a participating employer to a defined benefit scheme administered by ITB Pension Funds. A defined benefit scheme is a pension plan under which the company pays fixed pension to its employees. As a member of the multi-employer scheme where the assets and liabilities are not identifiable, Enginuity has accounted for the scheme as a defined contribution scheme, to comply with the provisions of FRS 102. Pension contributions are charged to the consolidated Statement of Financial Activities so as to spread the regular cost of the pensions and related benefits over the employees' working lives. During 2023, the Trustees of ITB Pension Funds completed a buy-in of the Scheme.

The total cost to the company under both schemes for the year was £366,633 (2023/24: £316,232).

15. SUSTAINABILITY STATEMENT

Enginuity places sustainability at the heart of its charitable objectives, to deliver increased public benefit.

Engineers are needed at every step of the way in the journey to achieve net zero by 2050 in the UK. Data from Make UK reports that 98 per cent of manufacturers are aware of this target and 92 per cent believe it to be achievable within their own businesses, provided the right support is in place.

The engineering and manufacturing sector will be at the heart of the solution to the green skills demand by:

- advancing low-carbon energy solutions
- designing and producing zero emission vehicles, battery technology and sustainable fuels
- constructing greener buildings, retrofitting domestic properties and industrial facilities, and deploying carbon capture, usage, and storage solutions.

Enginuity supports sustainability goals by:

- creating occupational upskilling solutions that meet the needs of the green economy
- validating the need for green skills based on real demand data
- supporting the transition of engineers to greener skills, greener jobs, and greener industries.

Enginuity is committed to an investment in its people as part of an inclusive working environment. It aims to attract individuals from diverse backgrounds to help innovate on behalf of the sector and deliver its business plan.

The Enginuity group is committed to reducing its own impact on the planet through its use of digital technologies, reducing its travel and carbon footprint through remote working and by addressing its use of paper and print.

Enginuity is regulated by the Charity Commission and EAL is required to comply with the criteria of education regulators across the UK. Governance is overseen by an Audit Committee on behalf of the Group Board.

16. STATEMENT OF TRUSTEES (BOARD MEMBERS) RESPONSIBILITIES

The trustees (who are also Directors of Enginuity for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements, in accordance with applicable law and regulations.

Company law/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 company law/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 these financial statements, the Trustees are required to:

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

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006/Charities Act 2011. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

17. STATEMENT OF DISCLOSURE TO OUR AUDITORS

In so far as the trustees are aware at the time of approving our Trustees' Annual Report:

- there is no relevant information, being information needed by the auditor in connection with preparing their report, of which the group's auditor is unaware, and
- The trustees, having made enquiries of fellow directors and the group's auditor that they ought to have individually taken, have each taken steps that he/she is obliged to take as a director to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

18. AUDITORS

In accordance with the Companies Act 2006, a resolution will be proposed at the General Meeting that Crowe U.K. LLP will be reappointed as auditor to the charitable company for the ensuing year. This report, which incorporates the Strategic Report, was approved by the board on 17th September 2025 and signed on its behalf by:



Sir Jim McDonald GBE

Chair

Enginuity

Lytchett House, 13 Freeland Park

Wareham Road

Poole

Dorset, BH16 6FA

Independent Auditor's Report to the Members of Enginuity

Opinion

We have audited the financial statements of Enginuity ('the charitable company') and its subsidiaries ('the group') for the year ended 31 March 2025 which comprise Consolidated Statement of Financial Activities, Consolidated Balance sheet, Consolidated Cash flow statement 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 Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of group's and the charitable company's affairs as at 31 March 2025 and of the group's income and expenditure, 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 Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group 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 charitable company'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 trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion based on the work undertaken in the course of our audit:

- the information given in the trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and

- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act requires us to report to you if, in our opinion:

- the parent company has not kept adequate accounting records; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 20, the trustees (who are also the directors of the charitable company for the purposes of company law) 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 charitable company'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 charitable company 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.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, together with the Charities SORP (FRS102) 2019. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company and the group for fraud. The laws and regulations we considered in this context for the UK operations were the Companies Act 2006, Ofqual (England) and relevant taxation legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of grant and contract income as well as the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, internal audit, and the Audit Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, designing and performing audit procedures over the timing of grant and contract income, and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Tara Westcott

Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor
4th Floor
St James House
St James Square
Cheltenham, GL50 3PR

Date: 01 October 2025

Consolidated Statement of Financial Activities

Company Number: 02324869

Charity Number: 1000328

	Notes	Restricted £000	Unrestricted £000	Total 2025 £000	Total 2024 £000
Income					
<i>Other trading activities</i>					
Income from trading subsidiaries	3b	-	14,250	14,250	13,564
<i>Investment income</i>	7	-	417	417	349
<i>Charitable activities</i>					
Externally funded projects	3a	73	203	276	425
Other	3a	-	156	156	156
Total income		<u>73</u>	<u>15,026</u>	<u>15,099</u>	<u>14,494</u>
Expenditure on					
<i>Raising funds</i>					
Expenditure of trading subsidiaries	3b	-	12,418	12,418	10,385
Investment managers' fees		-	60	60	61
Total cost of raising funds		<u>-</u>	<u>12,478</u>	<u>12,478</u>	<u>10,446</u>
<i>Charitable activities:</i>					
Promoting & representing the sector		-	396	396	321
Digital skills solutions		-	558	558	1,925
Certification		-	624	624	580
Frameworks		-	155	155	-
Partnerships, policies & strategic engagement		73	1,771	1,844	862
Total charitable activities	6	<u>73</u>	<u>3,504</u>	<u>3,577</u>	<u>3,688</u>
Total expenditure		<u>73</u>	<u>15,982</u>	<u>16,055</u>	<u>14,134</u>
Net (expenditure) before losses on investments		<u>-</u>	<u>(956)</u>	<u>(956)</u>	<u>360</u>
Net (losses) / gains on investments	10	-	(271)	(271)	3,092
Transfer between funds		-	-	-	-
Net movements in funds		-	(1,227)	(1,227)	3,452
Total funds brought forward	18	-	38,078	38,078	34,626
Total funds carried forward	18	<u>-</u>	<u>36,851</u>	<u>36,851</u>	<u>38,078</u>

All activities are continuing.

2024 restricted and unrestricted breakdown shown in note 25.

The notes on pages 30 to 43 form part of the accounts.

		2025	2024
	Notes	£'000	£'000
FIXED ASSETS			
Tangible Fixed Assets	9	-	-
Investments	10	28,265	34,171
		<u>28,265</u>	<u>34,171</u>
CURRENT ASSETS			
Debtors	12	3,081	2,536
Bank and cash balances		11,601	7,539
		<u>14,682</u>	<u>10,075</u>
CURRENT LIABILITIES			
Creditors: Amounts falling due within one year	13	<u>(4,948)</u>	<u>(5,031)</u>
NET CURRENT ASSETS		<u>9,734</u>	<u>5,044</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>37,999</u>	<u>39,215</u>
CREDITORS: amounts falling due after one year	14	<u>(1,148)</u>	<u>(1,137)</u>
NET ASSETS	19	<u><u>36,851</u></u>	<u><u>38,078</u></u>
FUNDS AND RESERVES			
Unrestricted reserves	18	<u><u>36,851</u></u>	<u><u>38,078</u></u>

The financial statements were approved and authorised for issue by the Board on the 17th September 2025 and were signed below on its behalf by:



Sir Jim McDonald GBE

Chair

The notes on pages 30 to 43 form part of the accounts.

	Notes	2025 £'000	2024 £'000
FIXED ASSETS			
Fixed Assets	9	-	-
Investments	10	28,265	34,171
Investment in subsidiaries	11	50	50
		<u>28,315</u>	<u>34,221</u>
CURRENT ASSETS			
Debtors	12	2,940	4,193
Bank and cash balances		6,243	343
		<u>9,183</u>	<u>4,536</u>
CURRENT LIABILITIES			
CREDITORS: amounts falling due within one year	13	(859)	(936)
NET CURRENT ASSETS		<u>8,324</u>	<u>3,600</u>
TOTAL ASSETS		<u>36,639</u>	<u>37,821</u>
CREDITORS: amounts falling due after one year	14	-	-
NET ASSETS	19	<u><u>36,639</u></u>	<u><u>37,821</u></u>
FUNDS AND RESERVES			
Unrestricted funds	18	<u><u>36,639</u></u>	<u><u>37,821</u></u>

In accordance with section 408 of the Companies Act 2006, a separate Statement of Financial Activities for the charity has not been presented. The result for the charity was a deficit £1,182k (2024: surplus £3,255k).

The financial statements were approved and authorised for issue by the Board on the 17th September 2025 and were signed below on its behalf by:



Sir Jim McDonald GBE
Chair

The notes on pages 30 to 43 form part of the accounts.

		2025	2024
	Notes	£'000	£'000
Cash (used by) operating activities	a)	(1,988)	(251)
Cash flows from investing activities			
Investment income/Interest received		417	349
Payments to acquire investments		-	(5,476)
Cash withdrawn from investments		1,450	500
Receipts from the sale of investments		4,183	5,303
Cash Provided by investing activities		6,050	676
Net increase in cash		4,062	425
Cash and cash equivalents at start of year		7,539	7,114
Cash and cash equivalents at end of year		11,601	7,539
Analysis of cash and cash equivalents			
Cash at bank and in hand		11,601	7,539

Refer to note b) for the analysis of changes in net debt.

The notes on pages 30 to 43 form part of the accounts.

	2025	2024
	£'000	£'000
a) Reconciliation of net incoming resources to net cash inflow from operating activities		
Net movement in funds	(1,226)	3452
Investment income/ Interest	(417)	(349)
(Decrease)/Increase in creditors	(72)	288
(Increase) in debtors	(544)	(550)
Net loss/(gain) on investments	271	(3,092)
Net cash (used by) operating activities	(1,988)	(251)

	At beginning of the year £'000	Cash flows £'000	Noncash movements £'000	At end of the year £'000
b) Analysis of changes in net debt				
Cash and cash equivalents	7,539	4,062	-	11,601

The notes on pages 30 to 43 form part of these accounts.

1. GENERAL INFORMATION

Enginuity is a charitable company, limited by guarantee, incorporated in England and Wales under the Companies Act 2006. The address of the registered office is shown on the Advisors page. The nature of the charity's operations and its principal activities are outlined in the Trustees'/Directors' Report.

2. ACCOUNTING POLICIES

The principal accounting policies adopted, judgements and key sources of estimation uncertainty (see note 4) in the preparation of the financial statements are as follows:

Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP 2nd Edition (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Enginuity meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes. All the expenditure incurred by the Enginuity group is for charitable purposes.

The presentation currency and functional currency of the charity is pounds sterling and is rounded to the nearest thousand pounds.

Parent charitable company disclosure exemptions

In preparing the separate financial statements of the parent charitable company, advantage has been taken of the following disclosure exemptions available in FRS 102:

- no cash flow statement has been presented for the parent charitable company
- disclosures in respect of the parent charitable company's financial instruments have not been presented as equivalent disclosures have been provided in respect of the group as a whole
- no disclosure has been given for the aggregate remuneration of the key management personnel of the parent charitable company as their remuneration is included in the totals for the group as a whole.

Going concern

The directors have assessed whether the use of the going concern basis is appropriate and have made this assessment based on a forecast for the parent company to the end of March 2026, a budget for EAL to March 2026 and a 10-year financial plan. The directors believe that the company's financial resources and contingency planning is sufficient to ensure the ability of the company to continue as a going concern for the foreseeable future, being at least twelve months from the date of approval of these financial statements and therefore have prepared the financial statements on a going concern basis.

Financial statements

The financial statements consolidate the results of Enginuity and its subsidiaries on a line-by-line basis. Please see accounting note 3 for further details.

Incoming resources

Income represents the amount receivable for goods and services for the period, but excludes value added tax and trade discounts.

All income is recognised once the charitable group has entitlement to the income. It is probable that the income will be received, and the amount of income receivable can be measured reliably.

All other awarding income included in EAL is recognised over the published average time taken to complete the individual qualifications.

EPA income is recognised when the assessment has been completed in line with contract with training centre.

Income from investments represents interest from bank deposits. Interest on funds held on deposit is recognised when receivable and the amount can be measured reliably by the charity. This is normally upon notification of the interest paid or payable by the bank.

Dividends are recognised once the dividend has been declared, and notification has been received of the dividend due. This is normally upon notification by our investment advisor of the dividend yield of the investment portfolio.

Gift aid

The charity owns the whole of the issued ordinary share capital of Excellence Achievement & Learning Limited, and Enginuity Skills Limited (see note 12).

Enginuity is a registered charity and as such is entitled to certain tax exemptions on income and profit from investments and surpluses on trading activities carried out in the furtherance of the charity's primary objectives, if these profits and surpluses are applied solely for charitable purposes. The UK subsidiary companies give all their taxable profits to the charity, normally resulting in no liability for corporation tax.

Gift aid is recognised on the accruals basis, in line with the deed of covenant.

Resources expended

Resources expended are included in the Statement of Financial Activities on an accruals basis, inclusive of any VAT which cannot be recovered. Certain expenditure is directly attributable to specific activities and has been included in these cost categories. Support costs, which cannot be directly allocated, are apportioned across the categories on the basis of an estimate of the proportion of time spent by staff on those activities.

Costs of raising funds are the costs incurred in attracting voluntary income and those costs incurred in trading activities that raise funds.

Governance costs form part of support costs for the charity. These include the external audit fee and an assessment of the time spent undertaking company secretarial responsibilities.

All expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party. It is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

Interest expenses are charged to the Statement of Financial Activities over the term of the debt using the effective interest method, so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged to allocate the cost of assets less their residual value over their estimated useful lives, on a reducing balance basis.

Depreciation is provided on the following basis:

	Years
Office furniture	10
Equipment	3

Only assets with a cost of over £5,000 are capitalised. The assets' residual values, useful lives and depreciation methods are reviewed and adjusted prospectively, if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

Fixed asset investments

Investments are stated at market value as at 31 March 2025. Realised and unrealised gains and losses are released or charged to the consolidated Statement of Financial Activities in the year in which they arise.

The investment in subsidiaries is stated at the lower of cost and net asset value.

Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Cash

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Financial Instruments

Financial assets

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

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the consolidated Profit and Loss Account.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows, discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

Financial liabilities and equity

Financial liabilities and equity 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.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Grants payable

Grants payable to other organisations are agreed as part of the Business Planning process. The cost is charged to the Statement of Financial Activities in the period to which the grant relates.

Fund accounting

The general reserve (unrestricted funds) comprises of those monies which may be used towards furthering the charitable objects.

Leased assets: Lessee

Where assets are financed by leasing agreements that give rights approximating to ownership (finance leases), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable over the term of the lease. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to profit or loss over the shorter of estimated useful economic life and the term of the lease.

Finance lease payments are analysed between capital and interest components so that the interest element of the payment is charged to profit or loss over the term of the lease and is calculated so that it represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

All other leases are treated as operating leases. Their annual rentals are charged to profit or loss on a straight-line basis.

Pensions

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid, the company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in other creditors as a liability in the statement of financial position. The assets of the plan are held separately from the company in independently administered funds.

Enginuity is a participating employer to a defined benefit scheme administered by ITB Pension Funds. A defined benefit scheme is a pension plan under which the company pays fixed pension to its employees. As a member of the multi-employer scheme where the assets and liabilities are not identifiable, Enginuity has accounted for the scheme as a defined contribution scheme to comply with the provisions of FRS 102. Pension contributions are charged to the consolidated Statement of Financial Activities so as to spread the regular cost of the pensions and related benefits over the employees' working lives.

Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the trustees have had to make the following judgements:

- *Provision for bad debt*
To determine whether the bad debt provision is adequate, a judgement of each outstanding debt and the prospect of payment has been taken. The decision was based on the age of the debt and the historic payment profile of the debtor. It is considered that the current provision is sufficient to cover prospective bad debts.

3. INCOMING RESOURCES AND NET MOVEMENT IN FUNDS

a) Analysis of income

The majority of group activities are conducted in the United Kingdom.

Excellence Achievement & Learning Limited (EAL) conducted business with centres outside the UK totalling £55,306 in the year (2024: £65,142).

Externally funded projects income represents the contribution to Enginuity for staff time spent on projects funded by the UK government and other stakeholders. This income totalled £276,019 in the year (2024: £424,128).

Other income represents the charge to Enginuity customers for services provided by the charity. This relates to income generated through certification of learners, and development of National Occupation Standards for devolved nations. This income totalled £155,851 in the year (2024: £156,675).

Income from trading subsidiaries represents the turnover of the charity's trading subsidiaries included in Enginuity's accounts.

b) Results of trading subsidiaries

The charity owns 100% of the allotted ordinary share capital of the following companies which are incorporated in the UK, with the registered office addresses of both being the same as the parent charity:

- Excellence Achievement & Learning Limited (EAL) is the awarding organisation for vocational qualifications primarily in the engineering sector
- Enginuity Skills Limited delivers certain contracts and commitment for third parties in the engineering and manufacturing sectors which Enginuity, the charity, may not be able to enter itself.

A summary of the trading results included in the consolidated accounts is shown below. Audited accounts for each subsidiary entity have been filed with the Registrar of Companies.

	EAL £'000	Enginuity Skills Limited £'000	2025 Total £'000	2024 Total £'000
Income:				
Income	14,250	-	14,250	13,564
Investment income	217	-	217	171
Total Income:	14,467	-	14,467	13,735
Expenditure:				
Staff costs	5,693	-	5,693	4,530
Other operating charges	6,725	-	6,725	5,855
Total Expenditure:	12,418	-	12,418	10,385
Net surplus/(deficit)	2,049	-	2,049	3,350
Gift Aid to Enginuity	(2,094)	-	(2,094)	(3,150)
	(45)	-	(45)	200

4. STAFF COSTS

The Group staff costs are as follows:

	2025	2024
	£'000	£'000
Wages and salaries	8,163	6,739
Social security charges	878	729
Other pension costs	367	316
	-----	-----
	9,408	7,784
	=====	=====

During the year the group made termination payments of £114,357 (2024: £233,346)

The average monthly number of persons employed by the group during the year was as follows:

	2025	2024
	No.	No.
By the Group		
Qualification awarding services/Charitable Activities	116	100
Support Services Staff	46	38
	-----	-----
	162	138
	=====	=====

Charity

The parent charity's staff costs are as follows:

	2025	2024
	£'000	£'000
Wages and salaries	3,214	2,824
Social security charges	364	310
Other pension costs	136	120
	-----	-----
	3,714	3,254
	=====	=====

The average monthly number of persons employed during the year by the parent charity was as follows:

	2025	2024
	No.	No.
Charitable Activities Delivery Staff	14	15
Support Services Staff	46	38
	-----	-----
	60	53
	=====	=====

Emoluments of employees

The number of employees whose emoluments as defined for taxation purposes exceeded £60,000 per annum during the period was as follows:

	2025	2024
£60,001 - £70,000	23	22
£70,001 - £80,000	4	1
£80,001 - £90,000	1	4
£90,001 - £100,000	2	3
£100,001 - £110,000	0	1
£110,001 - £120,000	1	1
£120,001 - £130,000	1	0
£130,001 - £140,000	1	0
£150,001 - £160,000	1	0
£160,001 - £170,000	0	1
£180,001 - £190,000	1	1
£190,001 - £200,000	0	1
£260,001 - £270,000	0	1
£280,000 - £290,000	1	0
	-----	-----
Total	36	35
	=====	=====

The total of key management personnel compensation for the year was £ 1,024,380 (2024: £1,298,373).

Trustees' remuneration

During the year, in accordance with the Articles of Association of the charity, payments were made to the Chair totalling £47,666 (2024: £42,653). The total amount of expenditure reimbursed to three Board members in respect of expenses (travel, subsistence and accommodation) incurred on the charity's activities was £12,107 (2024: £2,400). No other trustees received any remuneration (2024: £Nil).

5. NET INCOMING RESOURCES

Net incoming resources are arrived at after charging the following:

	2025 £'000	2024 £'000
Auditor's remuneration		
- Audit services	27	26
- Tax compliance services	7	7
- Other non-audit services	7	5
	<u> </u>	<u> </u>

Auditors' remuneration includes £10,850 in respect of the audit of the parent charity (2024: £5,120) and £16,000 in respect of the audit of the subsidiary undertakings (2024: £20,480). Fees in relation to non-audit services were £6,675 (2024: £4,865).

6. EXPENDITURE ON CHARITABLE ACTIVITIES

	Staff No's	Direct costs £'000	Support costs £'000	2025 Total costs £'000
Promoting the sector (Skills Awards)	1	240	156	396
Digital Skills Solutions	2	248	310	558
Certification	3	159	465	624
Frameworks	1	-	155	155
Partnerships, policies & strategic engagement	7	758	1,086	1,844
	<u>14</u>	<u>1,405</u>	<u>2,172</u>	<u>3,577</u>
	Staff No's	Direct costs £'000	Support costs £'000	2024 Total costs £'000
Promoting the sector (Skills Awards)	1	171	150	321
Digital Skills Solutions	8	724	1,201	1,925
Certification	3	130	450	580
Framework	-	-	-	-
Partnerships, policies & strategic engagement	3	411	451	862
	<u>15</u>	<u>1,436</u>	<u>2,252</u>	<u>3,688</u>

Support costs have been allocated across the charitable activities based on average full-time equivalent headcount in the charity, as this basis is consistent with the use of the resources. Governance costs are included within support costs and totalled £104,988 (2024: £58,164) for the period. Governance costs consist of Chair's remuneration, group's audit fees, and expenses reimbursed to Board members in respect of expenses incurred on the charity's activities.

7. INVESTMENT INCOME	2025 £'000	2024 £'000
Interest from fixed asset investments	417	349
	<u>417</u>	<u>349</u>

8. TAXATION

Enginuity is a registered charity and therefore is not liable for income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

9. FIXED ASSETS

	Equipment £'000	Total £'000
Group and Charity		
Cost		
At 1 April 2024	227	227
Disposal	(227)	(227)
	<u>-</u>	<u>-</u>
At 31 March 2025	-	-
Depreciation		
At 1 April 2024	227	227
Disposal	(227)	(227)
Charge in year	-	-
	<u>-</u>	<u>-</u>
At 31 March 2025	-	-
Net Book Value		
At 31 March 2025	-	-
	<u>-</u>	<u>-</u>
At 31 March 2024	-	-
	<u>-</u>	<u>-</u>

10. FIXED ASSET INVESTMENTS

	2025	2024
	£'000	£'000
Group and Charity		
Balance 1 April 2024	32,536	29,271
Additions	-	5,476
Disposals	(4,000)	(5,303)
Net (Loss)/Gain on revaluation	(271)	3,092
	<u>28,265</u>	<u>32,536</u>
Cash awaiting investment	-	1,635
	<u>28,265</u>	<u>34,171</u>
Balance at 31 March 2025 at Market Value		
	<u>25,435</u>	<u>31,047</u>
Historical cost of Investments	=====	=====

	2025	2024
	£'000	£000
COIF Charities investment fund unit	25,103	32,536
COIF Deposit fund	3,162	1,635
	=====	=====

11. INVESTMENTS IN SUBSIDIARIES

	2025	2024
	£'000	£'000
Charity		
Shares at cost	50	50
	<u>50</u>	<u>50</u>
	=====	=====

The charity owns 100% of the allotted ordinary share capital of the following subsidiaries, all of which are registered in England and Wales:

Excellence Achievement & Learning Limited (company registration no 02700780)

A company registered in England and Wales which provides the assessment systems for awarding vocational qualifications, primarily in the engineering sector, and acts as the awarding body for those qualifications.

Enginuity Skills Limited (company registration no 12172530)

A company registered in England and Wales whose principal activity is the provision of projects for specific partners within the engineering sector.

The registered office of all of the above subsidiaries is Lytchett House, 13 Freeland Park, Wareham Road, Poole, Dorset, BH16 6FA.

Notes to the Financial Statements

12. DEBTORS	Group		Charity	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Amounts falling due within one year				
Trade debtors	1,451	1,914	47	197
Amounts owed by subsidiary undertakings	-	-	2,604	3,691
Other debtors	5	17	-	-
Prepayments	575	579	268	298
Accrued income	1,050	26	21	7
	<u>3,081</u>	<u>2,536</u>	<u>2,940</u>	<u>4,193</u>

Bad debt recognised for the group during the year as an increase in expense was £200,542 (2024: £27,380 reductions).

13. CREDITORS: amounts falling due within one year	Group		Charity	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Trade creditors	398	522	195	277
Taxation and social security	405	340	275	227
Other creditors	24	85	2	69
Accruals	663	493	314	236
Deferred income	3,458	3,591	73	127
	<u>4,948</u>	<u>5,031</u>	<u>859</u>	<u>936</u>

14. CREDITORS: amounts falling due after one year	Group		Charity	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Deferred Income	1,148	1,137	-	-
	<u>1,148</u>	<u>1,137</u>	<u>-</u>	<u>-</u>

15. DEFERRED INCOME	Group		Charity	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Balance at 1 April	4,728	4,667	127	163
Amount released to income	(195)	(163)	(127)	(163)
Amount deferred in the period	73	224	73	127
	<u>4,606</u>	<u>4,728</u>	<u>73</u>	<u>127</u>

Charity Deferred income of £73k (2024: £127k) relates to externally funded projects, both from customers within and outside of UK, with deliverables within 1 year.

16. FINANCE LEASE AGREEMENTS

The group has no finance leases outstanding

Notes to the Financial Statements

17. OBLIGATIONS UNDER OPERATING LEASE AGREEMENTS

At 31 March 2025 the group has no future minimum lease commitments:

	2025 £'000	2024 £'000
Expiry date		
Less than one year	-	1
One to five years	-	-
	<u>-</u>	<u>1</u>
	<u>-</u>	<u>1</u>

18. FUNDS AND RESERVES

Group	Restricted funds	Unrestricted funds	Total funds	Total Funds
	2025 £'000	2025 £'000	2025 £'000	2024 £'000
At 1 April	-	38,078	38,078	34,626
Gains/(losses) on Investments	-	(271)	(271)	3,092
Income Received	73	15,026	15,099	14,494
Expenditure	(73)	(15,982)	(16,055)	(14,134)
Transfer between funds	-	-	-	-
	<u>-</u>	<u>36,851</u>	<u>36,851</u>	<u>38,078</u>

Charity	Restricted funds	Unrestricted funds	Total funds	Total Funds
	2025 £'000	2025 £'000	2025 £'000	2024 £'000
At 1 April	-	37,821	37,821	34,566
(Losses)/Gains on Investments	-	(271)	(271)	3,092
Income Received	73	2,653	2,726	3,909
Expenditure	(73)	(3,564)	(3,637)	(3,746)
Transfer between funds	-	-	-	-
	<u>-</u>	<u>36,639</u>	<u>36,639</u>	<u>37,821</u>

19. NET ASSETS/(LIABILITIES)

	Group		Charity	
	Unrestricted funds	Unrestricted funds	Unrestricted funds	Unrestricted funds
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Investments	28,265	34,171	28,315	34,221
Current assets	14,682	10,075	9,183	4,536
Current liabilities	(4,948)	(5,031)	(859)	(936)
Non-current liabilities	(1,148)	(1,137)	-	-
	<u>36,851</u>	<u>38,078</u>	<u>36,639</u>	<u>37,821</u>

20. FINANCIAL ASSETS AND LIABILITIES

2025 2024
£'000 £'000

Group Financial assets measured at fair value
through profit or loss

25,103 32,536

Financial assets measured at fair value through profit or loss include the investments.

21. LIABILITY OF MEMBERS

The charity is constituted as a company limited by guarantee. In the event of the charity being wound up, members are required to contribute an amount not exceeding £1.

22. RELATED PARTY TRANSACTIONS

Due to the nature of the charity, most trustees will be associated with organisations which may have a financial relationship with the charity. Opportunity is given for disclosure of any financial or other interest prior to any Board discussions.

All transactions involving organisations in which a member of the key management may have an interest are conducted at arm's length and in accordance with group's financial regulations and normal procurement procedures.

During the year the following trustees and management have associations with:

Company	Income		Expenditure		Related Trustee/ Board Member	As
	2025	2024	2025	2024		
Burton and South Derbyshire College	6,463	6,321	-	-	John Beatty	Employed
Sandwell College	9,883	1,090	-	-	John Beatty	Wife HR Directors
Derwent Training Association	50,394	24,513	-	-	Ann Watson	Charity Trustee
Make UK	12,332	12,012	12,741	16,753	Ann Watson	Director
EBS Automation	-	2,970	-	-	Michael Evan	Director
Lincoln College	8,405	14,602	-	-	Paul Birt	Charity Trustee
National Physical Laboratory	10,672	790	-	-	Vicki Saward	Director
Rolls Royce plc	16,812	16,544	-	-	Sarah Sandle	Employed
Siemens plc	160,761	152,656	-	-	Alexia Williams	Employed
					Paul Birt	Employed
					Rachel Wilson	Employed
The Engineering Trust Limited	-	15,441	-	-	Jonathan Bolton	Charity Trustee
University of Strathclyde	1,140	1,363	-	-	Professor Sir Jim McDonald	Employed
World Skills UK	291	292	17,000	-	Rachel Wilson	Director
Federation of Awarding Bodies	-	-	15,910	6,872	Al Parkes	Director
My Accountancy People Limited	-	-		4,500	John Stuart Anthony Frazer	Director
	277,153	248,594	45,651	28,125		

Notes to the Financial Statements

Company	Debtor		Creditor		Related Trustee/ Board Member	As
	2025	2024	2025	2024		
Burton and South Derbyshire College	-	-	-	-	John Beatty	Employed
Sandwell College	-	-	-	-	John Beatty	Wife HR Directors
Derwent Training Association	4,028	14	-	-	Ann Watson	Charity Trustee
Make UK	-	-	621	1,800	Ann Watson	Director
EBS Automation	-	-	-	-	Michael Evan	Director
Lincoln College	1,495	3,310	-	-	Paul Birt	Charity Trustee
National Physical Laboratory	7,687	-	-	-	Vicki Saward	Director
Rolls Royce plc	-	-	-	-	Sarah Sandle	Employed
Siemens plc	24,064	34,834	-	-	Alexia Williams	Employed
					Paul Birt	Employed
The Engineering Trust Limited	19,822	-	-	-	Rachel Wilson	Employed
University of Strathclyde	-	-	-	-	Jonathan Bolton	Charity Trustee
					Professor Sir Jim McDonald	Employed
World Skills UK	-	350	-	-	Rachel Wilson	Director
Federation of Awarding Bodies	-	-	2,126	680	Al Parkes	Director
My Accountancy People Limited	-	-	-	-	John Stuart Anthony Frazer	Director
	57,096	38,508	2,747	2,480		

24. PENSION COMMITMENTS

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid, the company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the statement of financial position. The assets of the plan are held separately from the company in independently administered funds.

EAL is a participating employer to a defined benefit scheme administered by ITB Pension Funds. A defined benefit scheme is a pension plan under which the company pays fixed pension to its employees. As a member of the multi-employer scheme where the assets and liabilities are not identifiable, EAL has accounted for the scheme as a defined contribution scheme to comply with the provisions of FRS 102. Pension contributions are charged to the consolidated Statement of Financial Activities to spread the regular cost of the pensions and related benefits over the employees' working lives.

The total cost to the company under both schemes for the year was £366,633 (2024: £316,232).

25. 2024 STATEMENT OF FINANCIAL ACTIVITIES

2024		Restricted £000	Unrestricted £000	Total £000
Income				
<i>Other trading activities</i>				
Income from trading subsidiaries		-	13,564	13,564
<i>Investment income</i>		-	349	349
<i>Charitable activities</i>				
Externally funded projects		122	303	425
Other		-	156	156
Total income		122	14,372	14,494
Expenditure on				
<i>Raising funds</i>				
Expenditure of trading subsidiaries		-	10,385	10,385
Investment managers' fees		-	61	61
Total cost of raising funds		-	10,446	10,446
<i>Charitable activities:</i>				
Promoting & representing the sector		-	321	321
Digital skills solutions		-	1,925	1,925
Certification		-	580	580
Frameworks		-	-	-
Partnerships, policies & strategic engagement		133	729	862
Skills Miner		-	-	-
Total charitable activities	7	133	3,555	3,688
Total expenditure		133	14,001	14,134
Net (expenditure) / Income		(11)	371	360
Net gains/(losses) on	11	-	3,092	3,092
Transfers between funds		11	(11)	-
Net movements in funds		-	3,452	3,452
Total funds brought forward	20	-	34,626	34,626
Total funds carried forward	20	-	38,078	38,078

Accounts



Enginuity
(formerly Science, Engineering And Manufacturing
Technologies Alliance)

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

Company Number: 02324869
Charity Number: 1000328

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Advisors

Auditor

Crowe U.K. LLP
4th Floor, St James House
St James Square
Cheltenham
GL50 3PR

Registered Office

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Wareham Road
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Dorset, BH16 6FA

Investment Managers

CCLA

Senator House
85 Queen Victoria Street
London
EC4V 4ET

BNY Mellon Fund Managers Limited
The Bank of New York Mellon Centre
160 Queen Victoria Street
London
EC4V 4LA

Investment Advisor

Portfolio Manager Consultancy Ltd
Woodwater House
Pynes Hill
Exeter
EX2 5WR

Banker

Barclays Bank plc
62/62 High Street
Watford
WD17 2BT

Solicitors

DLA Piper U.K. LLP
1 St. Peter's Square
Manchester
M2 3DE

Womble Bond Dickinson (UK) LLP
4 More London
Riverside
London
SE1 2AU

Board Members

Dame J Hackitt DBE (Chair)
M Evans
S Hunter
J Lopes (resigned 13 March 2024)
S Pamplin
M Tarry
P Birt
S Sandle
A Burke (resigned 28 September 2023)
J Wood (resigned 31 December 2023)
V Saward
P Perera

Chief Executive

A Watson

REPORT OF THE CHAIR BY DAME JUDITH HACKITT DBE

When Enginuity launched its 'Manifesto for Change' last year, my comments reflected on the dynamic pace of change influencing the future of the engineering and manufacturing sector job roles. The burgeoning impact of digital technologies further sharpens the need to focus on training and development, putting skills at the heart of future UK productivity and success. The critical thinking skills of engineers are vital in tackling and finding solutions to the most significant challenges facing society. Working collaboratively across the sector, Enginuity brings together stakeholders that represent a wide range of adjacent industries in which engineering and manufacturing skills are relevant. Many of the solutions Enginuity has developed, and the interventions it has made, are based on ground-breaking research and a detailed understanding of the skills challenges affecting the sector.

Following a period during which Enginuity was focused on building its capacity and capability to support the sector, the last year has enabled us to demonstrate significant impact on a wide range of beneficiaries. These have included apprentices in receipt of bursaries from the Enginuity Opportunity Fund, managers from small employers accessing leadership training, as well as funding scholarships, allowing higher education students to access Masters programmes that otherwise would have been financially out of reach.

Charitable outcomes are robustly measured against Enginuity's Theory of Change impact framework, giving us the ability to demonstrate direct and indirect impact of our work. The organisation has grown closer to its stakeholder audience and is building a greater understanding of its needs. This in turn enables us to voice those needs to Government and other stakeholders. The Enginuity Strategic Advisory Group, which I chair, brings employers of all sizes together with higher education that enables the Enginuity Board of Trustees to be well informed on the current issues that really matter.

Enginuity Group reported a robust financial performance at the year end, enabling the organisation to invest in its aims and objectives with a stronger focus on the needs of SMEs within the engineering and manufacturing supply chain.

Enginuity continues to engage with all UK governments, employer organisations and arms-length bodies, responding to consultations and working to support the development and improvement of qualifications frameworks. During 2023-24, this included a response to Department for Education's proposals on a new Advanced British Standard qualification, supporting employers in Scotland and Wales in the development and review of National Occupational Standards and Apprenticeship Frameworks and raising awareness of T Levels in partnership with the Royal Academy of Engineering, Make UK, and the Gatsby Foundation.

EAL has shown strong performance in achieving its financial targets and has made excellent progress with its transformation programme, continuing to improve its use of technology, including a new end point assessment system, to augment services to customers. Assessment volumes continue to increase with high first-time pass rates and positive levels of customer satisfaction.

The Enginuity team has benefited from its own investment in internal leadership and management development with the successful rollout of its 'Lead to Succeed' training programme. The programme is now being made available to Engineering and Manufacturing SMEs. Enginuity continues to focus on improving employee wellbeing and engagement, showing improving index ratings, culminating in everyone coming together at our all-colleague conference at Sheffield City Hall in March 2024.

Next year will see the team focus on 30 unique charitable projects as part of a broader five-year vision and we plan to measure the impact of them all so that we know what works best with different groups. The achievement of our objectives is set to be strengthened by the development of a movement-based community of key stakeholders working together as part of a strong commitment to closing the skills gap. We look forward to introducing this in the year ahead. I am proud of the success that the Enginuity team has achieved over the last year and the progress it has made as its journey unfolds.

Following a seven-year term, I am stepping down as Enginuity's Chair, a highly rewarding role which I have very much enjoyed. The position will be taken up by Sir Jim McDonald, Principal and Vice-Chancellor of the University of Strathclyde, whom I know will be a worthy successor. It has been a pleasure to work alongside our dedicated Trustees over the years, on whom we rely for their unfailing commitment and support. I wish the entire Enginuity team the very best of success for the future.

1. ADMINISTRATIVE DETAILS

ENGINUIITY is a company, limited by guarantee (company number 02324869) and does not have share capital, which is incorporated in England and Wales under the Companies Act 2006. It is a registered charity (charity number 1000328) governed by its memorandum and articles of association. The charity owns 100% of the allotted ordinary share capital of two trading subsidiaries, Excellence, Achievements and Learning Limited (EAL) – company number 02700780 and Enginuity Skills Limited (ESL) – company number 12172530.

The members of the Board who held office during the year were:

Dame J Hackitt DBE (Chair)

M Evans 2

S Hunter

J Lopes (resigned March 2024)

S Pamplin 6

M Tarry 1&4

P Birt 1&3

S Sandle 3

J Wood (resigned December 2023)

V Saward 5

P Perera

A Burke (resigned September 2023)

1 Member of the Investment Committee

2 Member of the Audit Committee

3 Member of the Remuneration, Pensions and Nominations Committee

4 Member and Chair of the Audit Committee

5 Member and Chair of the Investment Committee

6 Member and Chair of the Remuneration, Pensions and Nominations Committee

The Chief Executive, professional advisors and registered office of the charity are listed on page 1.

2. STRATEGIC REPORT

During 2023-24, Enginuity continued its mission to proactively support employers in engineering and manufacturing industries to inspire and develop the engineers, technicians, and scientists on which the future of the sector relies. As a charity, Enginuity remains dedicated to exploring new ways to help UK manufacturing and engineering businesses to predict and address skills gaps, ensuring that the sector recruits and retains a highly skilled and globally competitive workforce.

The focus for 2023-24 has been to increase the support that Enginuity provides to small and medium enterprises (SMEs) within the sector. These organisations are crucial to supply chains and need support from Enginuity to help them develop a skilled and talented workforce fit for the future.

Strategic engagement

Over the last year, Enginuity has been working to support the engineering and manufacturing skills ecosystem in partnership with employers and policy makers from all four UK nations. We have engaged in multiple high-profile consultations and worked alongside sector skills leaders to help inform and shape key decisions on skills training and development. During the year, we have sought to give a voice to smaller employers and have engaged in proactive and positive dialogue with policy makers on identifying quick wins to support them.

Enginuity has provided input to Government on a wide range of skills issues, including the Advanced British Standard proposals, a review of qualifications for young people led by Qualifications Wales and an investigation into National Occupational Standards (NOS) for Skills Development Scotland. March 2024 saw the publication of the Enginuity Skills Action Plan, a Manifesto for Change, highlighting the challenges within the current skills and education ecosystem and how we can help to implement positive change in tandem with industry and policymakers.

Enginuity has been working closely with the Institute of Apprenticeships and Technical Education (IfATE) to identify the barriers experienced by small employers when recruiting apprenticeships and to understand the significant reduction in SMEs recruiting young people on apprenticeship programmes. To further cement this partnership, a Memorandum of Understanding will be signed with the IfATE in the new financial year.

Enginuity has engaged with multiple bodies focused on supporting skills within the sector, including membership of the UK Shipbuilding Skills Taskforce (UKSST) as part of the development of a future-focused skills strategy. Enginuity has been instrumental, in partnership with SMMT, in achieving funding from Innovate UK to deliver a pilot project designed to support employers with upskilling and reskilling within the automotive sector.

In partnership with Coventry University and WMG, Enginuity secured a lead role in the development of the Electrification Skills Network. Enginuity continues to work with the ADS Group in support of the Aerospace Growth Partnership through its skills working group, helping to address current and future growth opportunities.

Support for beneficiaries

The 2023/2024 financial year saw Enginuity being able to directly support a number of beneficiaries. The financial year began by supporting a visit of apprentices to the European Organisation for Nuclear Research (CERN) in Switzerland in April 2023.

In response to the impact of the cost-of-living crisis, Enginuity launched the 'Enginuity Opportunity Fund' providing bursaries of up to £500 to 18 apprentices to help them with travel costs to college, purchase of laptops, books, and other equipment to support their apprentices.

Through a dedicated programme, as part of its growing partnership with Teesside University and the Office for Students, Enginuity was pleased to fund scholarships to 16 disadvantaged students; 10 of whom were women, and 11 of whom were from the Office for Students' POLAR quintile areas 1 and 2. Overall, Enginuity invested £20,000 in this scholarship programme which encompass AI, data science, and data engineering Masters programmes. Enginuity's investment was matched by the Office for Students so that every funded scholarship place was augmented by a further three starts.

Enginuity successfully implemented direct support for SMEs with the launch of its 'Lead to Succeed' leadership and management development programme. Eight SME managers, who had never previously received any formal training, began the 13-month programme in March 2024.

Enginuity Skills Awards

The Skills Awards' finals in June 2023 saw a significant increase in the diversity of participants, with more women entrants than ever before. In total the awards attracted 127 entrants from 106 individual businesses and 76 per cent of winners were women. To increase the charitable impact of this successful event, apprentices from MTC entered a competition to design and manufacture bespoke trophies for the winners. The winning design was 3D printed by Fanuc. A 'table centrepiece' design competition for schools, in partnership with DATA, was launched, with the winning school benefiting from a full day of STEM activities.

In June 2024, Enginuity marked the tenth anniversary of the awards at an event hosted by Steph McGovern. This scheme has already seen an increase of 45 per cent in the number of entries and a further improvement in EDI statistics. The previous Best of British overall winners were honoured and for the individual winners it has been heartening to see how winning the award has had a direct benefit on many of their careers.

Celebrating highlights

We were pleased to record the continued robust performance of EAL over the last year. It has been reassuring to see that employers in the sector are investing in apprenticeships and other qualifications. EAL continues to support T Level students in both building services, and engineering and manufacturing, and we look forward to the first T Level engineering graduates in the summer of 2024.

The Enginuity Group was delighted to be named as the winner of the Best Mental Health Strategy for an SME, as part of the national 'This Can Happen' awards scheme. The Group was also pleased to attain Silver accreditation for the 'Clear Assured' global diversity and inclusion standard.

3. STRUCTURE, GOVERNANCE AND MANAGEMENT

- The Charity is governed by a Board representative of the sector. The members of the Board are trustees of the Charity and also directors for the purposes of company law. The Board meets quarterly to review progress against the agreed business plan and agree on future strategy. Responsibility for the management of the business is delegated to the Chief Executive. There are four committees which submit reports to the full Board: Investment Committee
- Audit Committee
- Remuneration, Pensions and Nominations Committee
- Quality Assurance Committee.

In addition, a Board Standing Committee meets as and when required and has delegated authority to approve expenditure and contracts on behalf of the Board. As directors of the company, the Board members are responsible for overseeing the company's business in a manner consistent with its charitable objectives. They are also guarantors to the company. The two subsidiaries are Excellence Achievement & Learning Limited (EAL - a Vocational Awarding and Assessment Organisation) and Enginuity Skills Limited, which is used for commercial contracts for products/services developed by the Charity.

Enginuity has reviewed the Charity Governance Code and mapped processes against the recommended practices. The Code is used as a tool for continuous improvement towards the highest standards within Enginuity and an action plan is in place. An external review of the Board and Committees was conducted in 2022 and will be undertaken every three years. In addition, Board and Committee self-assessments are carried out on an annual basis. The key internal financial control procedures are summarised as follows:

Control environment

There is a clear organisational structure with well-defined lines of responsibility and delegation of appropriate levels of authority.

Risk management

Business strategy and business plans are reviewed and approved by the Board. Detailed appraisals are undertaken, and financial implications evaluated prior to all capital expenditure and projects. Risk registers, reviewed and updated by the Executive Leadership Team monthly, are considered by the Audit Committee at each meeting and reported back to the Board.

Financial reporting

A comprehensive system of budgets and forecasts is in place, with quarterly monitoring and reporting of actual results against targets to the Board.

Control procedures and monitoring systems

Authority levels, procedures and other systems of internal financial control are documented and applied and subject to review by the Audit Committee, which consists of Board members and other members who are suitably qualified. The Audit Committee meets twice each year with the external auditors to discuss the audit plan and the results of their audit work. The auditor can meet the Audit Committee in private session as part of this process.

Investment

Investment management is delegated to professional investment management firm CCLA, supported by an independent advisor, Portfolio Manager Consultancy Ltd. The Investment Committee's role, chaired by an Enginuity Board member and supported by members who are suitably qualified, is to review the performance of the investment managers and make recommendations to the Board on investment policy and strategy.

Remuneration

Chair and senior executive remuneration and the Group's Pay and Reward strategy are governed by the Remuneration, Pensions and Nominations Committee which is chaired by an Enginuity Board member and has members who are suitably qualified.

Quality assurance

The Quality Assurance Committee oversees governance of the systems, controls and processes that impact the organisation's ability to meet its legal and regulatory responsibilities. It provides challenge and advice where necessary on areas of concern. The committee aims to provide assurance to the Enginuity Group Board that there is continual improvement in the quality of governance, systems, and control in line with the group's strategic objectives.

Appointment of Board members

The appointment of Board members, for a maximum of three terms of three years, is made by members on the recommendation of the Remuneration, Pensions and Nomination Committee. New Board members undergo an induction to brief them on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, Enginuity's strategy and recent financial performance and the committees and decision-making process. Board members are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

4. PUBLIC BENEFIT DISCLOSURES

Enginuity provides public benefit by:

- Supporting engineering and manufacturing to drive a positive and growing contribution from the sector, both in terms of jobs and contribution to GDP.
- Supporting employers in identifying future skills requirements and developing or sourcing appropriate education and skills solutions to upskill and reskill the existing workforce, thereby maintaining people in employment for longer, whilst also promoting the sector as an attractive and worthwhile career.
- Ensuring that individuals and employers can access high quality engineering skills training programmes, assessments, and validation, in order to keep their skills and competency relevant, up-to-date, and evidenced.
- Inspiring individuals with latent talent who may not have considered engineering and help individuals already interested in a career in engineering to understand their potential and be given opportunities for development and progression.
- Ensuring that ethics and safety of the public is integrated into all training, both directly and through partners, to create the right environment for and build trust in engineers to tackle some of society's most pressing issues, such as climate change.

In agreeing this statement of public benefit, the Board confirms that it has paid due regard to the Charity Commission guidance. The charity's activities and achievements are set out below.

5. OBJECTIVES AND ACTIVITIES

5.1 Aims and objectives

The objectives for which the company is established are for the public benefit:

To promote and advance education, training and skills in science, technology, engineering, and manufacturing, and, in particular, to advance skills in such areas as are or may be in future required by the engineering profession, for the development of: (i) persons employed or intending to be employed in industry and/or commerce, and (ii) the public generally.

Our trading subsidiary, EAL, was further established to promote and advance the education, training and skills development of persons employed or intending to be employed in industry and commerce, and, subject to the foregoing objectives, to extend such training to members of the public.

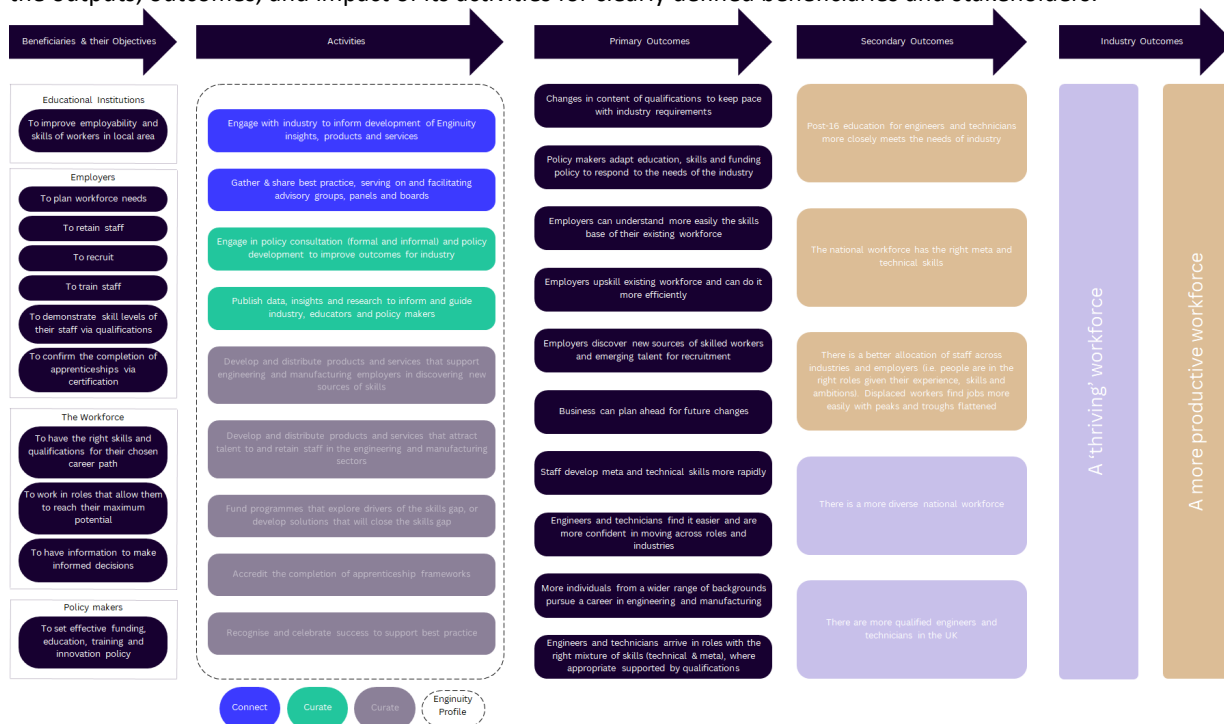
Also, in furtherance of the above objects:

- To develop and set standards for education and training, to validate, test and monitor the standards and to issue certificates.
- To provide facilities for education and training.
- To provide training courses, instruction, and demonstrations of all sorts.

The charity's focus remains on finding innovative ways to close the skills gap in the engineering and manufacturing sectors. To maximise efficient use of the charity's resources, all future activities will be based on a response to five key problem statements as follows:

- Employers are struggling to fill current and future skills gaps.
- The education system often cannot meet the needs of all employers and particularly those of SMEs, and it can also be fragmented and confusing.
- To affect change Enginuity needs to be recognised and respected as the sector connector and an approachable expert.

To better understand the impact of the charity's work, 2024-25 will see the introduction of a comprehensive 'Theory of Change' impact framework that captures all charitable activity and projects. It will enable Enginuity to clearly articulate the outputs, outcomes, and impact of its activities for clearly defined beneficiaries and stakeholders.



5.2 Key activities

5.2.1 Partnerships and projects

Automotive Council UK Skills Working Group

Enginuity's Head of Policy and Partnerships became interim chair of the Automotive Council UK Skills Working Group in October 2023. Working alongside Government and sector employers, Enginuity led the establishment of a significant project to enable adults to upskill within the automotive sector, as the industry continues to experience the major transition to zero-emission technologies.

The Automotive Reskilling and Upskilling Platform, supported by the Department for Business and Trade (DBT), alongside regional sector partners, has brought together stakeholders across the sector to build on the work of the Electrification Skills Network (ESN) and the Department for Education (DFE) Emerging Skills Programme.

The project was designed to develop an intelligent, online platform capable of delivering insights into skills opportunities and making the link between employers' requirements and specific appropriate training provision. The platform was launched at the beginning of March 2024 at the start of a pilot that will not only help employers to identify local training provision that meets their skills training requirements, but also enables training providers and colleges to identify gaps in their provision and map their courses to future skills needs.

National Manufacturing Skills Taskforce

As secretariat of the National Manufacturing Skills Taskforce, Enginuity has been instrumental in supporting the multi-sectoral group influence policy and build its profile with Government departments. The Task Force was referenced by DBT within the Advanced Manufacturing plan, who view it as a key partner to deliver change.

This year saw the establishment of a policy sub-group, chaired by Enginuity. A significant output of the work of the sub-group was the development of the theory underpinning a high performing skills system for the manufacturing sector (published in the paper entitled 'What Good Looks Like'). The paper sets out an optimum system for skills delivery based on the macro environment and employers' specific requirements, enabling the sector to assess current practice and make recommendations for future change.

Hydrogen Skills Alliance

As a member of the Hydrogen Skills Alliance, Enginuity joins a collective group of stakeholders working collaboratively to identify the skills requirements for the emerging hydrogen economy.

Enginuity has been actively engaged in skills fore sighting work as an educator expert, along with its partners, building on the work of technical experts and employers in the initial hydrogen skills fore sighting cycle. This work has strong synergies drawing from same data sources as our work in Role Explorer and Skills Comparator, including recognition of critical transferable skills.

Electrification Skills Network (formerly National Electrification Framework & Forum)

Funded by UK Research and Innovation (UKRI) and led by Coventry University, the Electrification Skills Network is committed to developing electrification skills and productivity in the UK. It brings together employers, training providers and accreditation organisations, enabling them to collaborate on the development of a dynamic electrification skills framework that highlights and addresses key skills gaps.

As a key partner within the project, Enginuity leads the employer workstream for the automotive and aerospace sectors and has conducted a detailed mapping exercise that is helping to shape a dynamic roadmap and engagement plan that will help employers to identify skills gaps, procure the right training, network with similar organisations, and contribute to the framework content.

Once complete, the framework will deliver a comprehensive reference point for electrification skills, providing the essential connections, guidance, and best practices for industry, while also contributing to a thriving electrification ecosystem.

UK Shipbuilding Skills Taskforce (UKSST)

Enginuity was a key member of the UK Shipbuilding Skills Taskforce (UKSST) during 2023-24, chairing a workstream. The work of the UKSST reached its conclusion with the publication of the report, 'A Step Change in UK Shipbuilding Skills' in September 2023.

Engineering and Manufacturing T Level partnership

During 2023-24, Enginuity participated in the Engineering and Manufacturing T Levels group, in tandem with the Royal Academy of Engineering, Make UK, the Gatsby Foundation, and the Department for Education. Objectives include supporting the delivery and implementation of T Levels amongst practitioners, employers, and students through the provision of bespoke resources, professional development opportunities, networking opportunities and support for industry placements. New for 2023, Enginuity introduced a 'T Level Student of the Year' category as part of the Enginuity Skills Awards.

Institute for Apprenticeships and Technical Education (IfATE) partnership

Enginuity started working with the IfATE in October 2023 to formalise its co-operation and working arrangements to ensure the quality of its joint working in the interests of students, apprentices, and employers in England.

Both organisations have signalled their intent to sign a Memorandum of Understanding that sets out the intention to work collaboratively on a formal basis on workstreams, including mutual involvement in complementary programmes, the development of robust apprenticeship standards, and the dissemination of thought leadership projects supporting policy developments.

Anticipated benefits from this formal collaboration include simplification across the education and skills system for employers, improved data and intelligence sharing to increase industry insight and enhanced quality of qualifications for students, apprentices, and employers.

Knowledge Transfer Partnership

In partnership with Teesside University and Innovate UK's Knowledge Transfer Partnership, Enginuity secured funding to research and develop a Strategy Workforce Development Planning Tool for employers within the sector.

To inform the development of a solution, in 2023, Enginuity conducted a workforce planning survey amongst engineering and manufacturing employers, which concluded that businesses of all sizes are faced with the challenge of organisational development in the context of a changing environment.

The need for strategic workforce planning tools is in high demand as businesses, particularly small employers, continue to struggle to attract new talent, retain skilled colleagues, and build a workforce with a multifaceted and future-proofed skillset.

Strategic engagement

To support its partnership activity and strategic engagements, Enginuity increased its headcount during 2023-24 and during the last quarter of the financial year welcomed a Head of Charity, Sector Engagement Manager and increased the sector engagement team by two additional heads.

Policy and research

In March 2024, Enginuity was pleased to launch its Manifesto for Change for the engineering and manufacturing sector. The Manifesto sets out a roadmap to enable the workforce to adapt to demands of innovative technologies and the transition to net zero. Enginuity calls on sector employers, training providers and policymakers to work with Enginuity on the delivery of five key priorities for building and maintaining a skilled future workforce.

Enginuity has published a series of Labour Market Information Snapshot reports throughout the year on its website. These contain insights into in-demand roles within the UK engineering and manufacturing sector over the last four years. In addition, we published thought-leadership white papers on engineering and manufacturing apprenticeships in England and Scotland.

Enginuity is an active member of the Federation of Industry Sector Skills and Standards (FISSS) CEO group, which meets quarterly to discuss policies issues. During March 2024, the CEO of Enginuity and a Board Trustee attended a dinner with the Shadow Skills and Education Minister, Seema Malhotra, and was able to discuss with the Minister the challenges facing SMEs.

Apprenticeship Achievement Research Project

In response to industry concerns, Enginuity initiated a study into the rate of apprenticeship achievements in England. Low achievement rates in recent years, exacerbated by the pandemic, continue to fall some way short of the 2025 target of 67%. The Apprenticeship Achievement Research Project, delivered in partnership with The Engineer, focused on SMEs who find engagement with apprenticeships more challenging.

Themes emerging from the report include inconsistencies in training provided, issues attracting appropriately skilled individuals, and difficulties with retaining apprentices. A detailed overview of the outcomes of the project, with recommendations, was published in May 2024.

The team has developed documentation to support employers, educational institutions, and the workforce to understand the UK's education landscape and career pathways across the devolved nations. Career pathway infographics inform workforce training plans, providing a better understanding of the range of educational and career pathways available within the sector.

Consultations
Over the last twelve months, Enginuity has engaged in a range of consultations led by parliament, governments, and arms-length bodies across the UK. It has contributed to an examination of qualifications for young people aged 14-16 led by Qualifications Wales, as well as an investigation into essential skills for adults.

In addition, Enginuity responded to plans from the Department for Education to introduce a new qualification framework for England, the Advanced British Standard, a new baccalaureate-style qualification framework for 16-19-year-olds.

Thought leadership

During the last year, Enginuity has continued to raise its profile as part of the wider conversation on skills with the engineering and manufacturing sectors, developing its voice and contributing to the conversation by taking an authoritative position on high profile industry topics and highlighting skills developments as they appear on the horizon.

As part of its work to develop its thought leadership capability, Enginuity published the white paper 'Human Capabilities for Sustainability,' jointly authored with The Green Edge, in January 2024. The paper explores the cognitive, emotional, and social qualities that drive individuals to act sustainably within engineering and manufacturing.

In addition, Enginuity published its findings following an exploration of trends and future STEM skills demands in Scotland ('STEM Skills in Scotland'). With the research recording a diminishing interest in engineering and physical sciences, and a reduction in the availability of STEM-related education programmes, Enginuity is committed to further investigating industry demand and providing information and resources to help the sector with strategic planning decisions.

6. ACHIEVEMENTS AND PERFORMANCE

6.1 Enginuity performance

Products and services

During the last year, EAL launched 4 new qualifications, 5 new EPA standards, including the first to be approved for the new machining technician standard, have been added to an expanding offer bringing the total to 31. 13 qualifications have been submitted to IfATE in response to the Level 2 and Level 3 reforms and 17 new EAL-approved courses have been validated. The product team has continued to review and maintain its existing portfolio of products alongside a brand refresh, with 71 qualifications reviewed and updated to ensure they remain valid and up to date for our customers and learners.

EAL continues to work alongside City & Guilds to deliver its partnership accountabilities for T Levels in engineering and manufacturing and building services engineering and continues its commitment to supporting T levels second generation.

Digital and data solutions

The last year has seen considerable progress on the development of Enginuity's portfolio of digital and data products and services. Its range of digital skills solutions are rooted in engineering sector data and benefit from Enginuity's in-depth understanding of the skills challenges affecting the sector. Digital tools are designed to deliver multiple interventions within the UK engineering and manufacturing skills pipeline. In October 2023, Enginuity launched its suite of digital products online as part of the organisation's new website. The product package comprised:

Enspire City

An interactive web-based platform designed to demonstrate the pervasive influence of engineering to young people aged 8-14, Enspire City is designed to expose them to the range of engineering sectors and real-world problems that engineering can solve. The product also serves to showcase the opportunities available to young people in STEM and manufacturing careers.

The product was developed with the aim of improving the perception of engineering and promoting understanding of engineering careers, leading to greater enrolment in STEM subjects and stimulating more interest in engineering and manufacturing careers. Zones within Enspire City include:

- Aerospace
- Vertical farming
- Automotive
- Space

At an Enginuity-run event in 2023, 92 per cent of students said they had an increased awareness of engineering as a career option after playing Enspire City.

Skills Miner

Skills Miner interactive games, built on the popular gaming platform Minecraft, continue to form the basis of a core digital product that reflects specific industry challenges, introducing school pupils to ideas for STEM careers. The games, based on aerospace, vertical farming, energy, and space, are designed to incorporate elements of the national curriculum and have been endorsed by the Skills Builder Partnership as contributing to the achievement of 8 essential life skills mapped to Gatsby Benchmarks. Overall, more than 325 downloads of Skills Miner by teachers were recorded during 2023-24, and over 300 players have engaged with the games at events attended by Enginuity.

During 2023-24, the Skills Miner game series and supporting teaching resources were translated into Welsh as part of a new six-week programme of study created specifically to address Welsh national curriculum statements. All Skills Miner games have been added to the Welsh 'Hwb' site for teachers and bespoke training was delivered in 44 schools in Wales, helping them to embed Skills Miner games within teaching and learning programmes. In 2024-25, the focus will be on driving take-up of Skills Miner games in devolved areas where technical barriers to adoption are lower.

The Skills Miner and Enspire City products have been designed for use by employers to support school outreach activities. It is also accessible for use by educators and facilitators of STEM outreach to enable discussions about engineering careers and pathways. The product has received positive feedback from members of the automotive and aeronautics strategy groups and from local authorities in England, Scotland, and Wales.

Skills Framework

As part of Enginuity's overall mission, it is committed to providing insights on in-demand skills to assist businesses, sectors, and Government with future planning. To help achieve this, data has been collected from a range of sources to create a dynamic Skills Framework.

The Enginuity Skills Framework was established to provide key information on a broad scope of occupations, job roles, work activities and skills found within the engineering and manufacturing sectors. The Enginuity Skills Framework underpins the Role Explorer, Cell and Gene Career Converter and Skills Comparator products outlined below.

Role Explorer

Designed for both employers and individuals investigating engineering and manufacturing roles in detail, Enginuity's Role Explorer product provides a comprehensive data-driven collection of careers, job roles, work activities, and transferable skills. Unlike traditional career resources, this product is powered by the extensive Enginuity Skills Framework and uses demand from employers and data from live job postings to give users a clear and interactive way to navigate the ever-changing skills landscape. It identifies commonalities between different careers, providing new opportunities for career growth and transition.

Role explorer can be used to support:

- Students and young adults with career exploration.
- Researchers and analysts studying labour market trends, skill demands, and emerging sectors within engineering and manufacturing.
- Educators and careers advisors in guiding students towards suitable engineering and manufacturing careers.
- Professionals exploring how their transferable skills could assist a career change.
- Jobcentre Plus in helping unemployed individuals to identify suitable engineering and manufacturing roles.
- Employers in their understanding of the skills landscape to assist workforce development.

Skills Comparator

Enginuity's Skills Comparator web application was launched in October 2023 to help employers and individuals identify and understand transferable skills to enable informed decision-making on recruitment, upskilling and reskilling.

Skills Comparator helps employers with:

- **Recruitment:** by widening the talent pool for hard-to-fill positions, focusing more on relevant transferable skills rather than direct experience.
- **Outplacement:** by suggesting alternative roles for employees which closely align with their current skillset.
- **Demand analysis:** by identifying roles that are in high demand and enabling employers to assess their workforce's capabilities.
- **Workforce planning:** by pinpointing future high-demand roles and identifying how these are matched by current employees' skills.

Career Converter - Cell and Gene Therapy Catapult

The Cell and Gene Therapy Catapult (CGT) is an independent innovation and technology organisation committed to the advancement of cell and gene therapies, with a vision of a thriving industry delivering life-changing advanced therapies to the world. Enginuity has been working with Catapult since 2022 to help promote employment opportunities in the industry, inspiring the inception of its Career Converter solution. Career Converter is embedded within the CGT Catapult's Advanced Therapy Skills Training Network. In the last year, engagement with the platform has been maintained, attracting 819 users and 771 new users.

Certification

Enginuity is a member of the Federation of Industry Sector Skills and Standards (FISSS) and is approved to process apprenticeship registrations and certifications in the Apprenticeship Certification England (ACE), Apprenticeship Certification Wales (ACW) and Modern Apprenticeship Certification Scotland (MA Online) systems on behalf of the engineering and manufacturing sector.

Certificates authorised 2023-24:

England (ACE)	1,375
Wales (ACW)	1,377
Scotland (MA Online)	880
Total:	3,632

Enginuity plays a key role in validating evidence for apprenticeship frameworks against the requirements of a full range of apprenticeships in engineering and manufacturing across the four nations. Only when Enginuity is satisfied that the requirements have been met, will a certificate be issued. During 2023-24, Enginuity was responsible for producing around 3,600 certificates, attracting a net income of approximately £157,000.

Frameworks

National Occupational Standards (NOS)

Enginuity is responsible for maintaining and updating a range of around 2,500 National Occupational Standards used in Wales, Scotland, and Northern Ireland as a basis for their qualifications' suite. Additional NOS are added as required in response to industry demand.

Skills Development Scotland (SDS)

National Occupational Standards (NOS): SOC mapping

Enginuity was contracted by Skills Development Scotland to map all Enginuity NOS (approx. 2,500) held on the NOS database to 2020 SOC codes and provide some additional sector impact narrative to inform of future changes to the skills landscape.

National Occupational Standards pilot: alignment to Scottish Apprenticeship Standards

During 2023-24, Enginuity participated in a pilot to examine the alignment of NOS to Scottish Apprenticeship Standards (Work Situations). Enginuity took part in a pilot to repackage Work Situation descriptors from the Scottish Apprenticeship into broad, high level NOS. A detailed mapping exercise to existing NOS and IfATE occupational maps was conducted to assess how NOS would translate across a range of footprints and within all the UK nations.

Enginuity recommended the need to rationalise the volume of NOS without losing high-quality content and important granular detail that informs qualifications and frameworks underpinned by NOS.

Enginuity Future Skills Hub

Cognisant of the rapid transformation of engineering and manufacturing, Enginuity launched its Future Skills Hub microsite in March 2024 which aims to demystify the skills, trends and transitions reshaping industry and help employers

to understand the skills they need to keep pace with change. Enginuity worked with partners, including The Green Edge and Made Smarter, to ensure that the hub provides a wealth of invaluable information.

The Enginuity Future Skills Hub holds a wide range of accessible, bitesize resources on the skills required to work with emerging technologies, highlighting popular topics through interviews, case studies and podcasts. During its launch phase, the Hub was focused on digitalisation, with further activity planned to cover topics including electrification and hydrogen.

STEM Returners

Enginuity joined forces with return-to-work specialists STEM Returners, the Society of Motor Manufacturers and Traders (SMMT) and the ADS Group to launch the Aerospace and Automotive STEM Returners project. The objective of the project is to support and empower individuals to re-join the workforce, improving sector diversity by increasing the proportion of women employed by the sector, and helping to address the skills gap. Following insight sessions for SMEs in February 2024, host organisations are due to operate 12-week industry placements for returners; 10 of which are part-funded by Enginuity.

6.2 EAL performance

EAL products and services

During 2023-24, EAL has continued to perform strongly against its key performance measures and financial targets, across both awarding organisation and end point assessment services. We have made good progress in delivering our planned transformation programme, putting the customer at the heart of what we do, delivering initiatives through the lens of people, technology and processes, as we elevate and expand our offer to meet the changing needs of customers and the sectors we serve. We remain on track for delivering our long-term vision and plan for the business.

EAL customer experience

EAL works with 697 centres offering 250 qualifications, including more regulated engineering qualifications than any other awarding organisation. During 2023-24, EAL registered 79,360 students and issued certificates to around 64,000 in recognition of their achievements.

In our continued drive for service excellence, our annual customer satisfaction survey, conducted independently by TLF Research, continues to provide invaluable insight into our journey to deliver the highest levels of service to our customers. From a record number of respondents, we have again increased our Customer Satisfaction Index score to 85.6% from 83.3% in the prior year. The results of the survey and rich feedback form the basis of our customer priority initiatives for the coming year, as part of our continuous improvement cycle.

The Assessment Delivery Team has retained a positive level of growth for its End Point Assessment volumes throughout the year, seeing 17% growth compared to prior year, with an average 96 per cent first-time pass rate.

EAL achievements

Significant successes during the last year include:

- The implementation of the new End Point Assessment system, ACE360, using technology to improve the customer journey and drive efficiencies.
- A successful Centre Assessment Scrutiny Strategy (CASS) review that led to improvements in its systems and processes to keep pace with regulatory changes.
- The introduction of our Quality Assurance Framework as part of EAL's drive for continuous improvement and maintaining the highest standards.
- The further development of its product and service portfolio across all UK nations, introducing 4 new qualifications, 24 qualification amendments and carrying out 23 qualification reviews.
- A boost for brand awareness with a high-profile presence at conferences and events, including the Annual Apprenticeship Conference, Association of Colleges' Annual Conference, Federation of Awarding Bodies, and the Colegau Cymru Annual Conference, Sustainability Conference Maastricht. In addition, EAL acted as a sponsor of the Apprenticeship Awards Cymru, the In-Comm Awards 2023 and the Engineering Trust Awards.

EAL continues to work with key partners to support qualification and assessment products and services within engineering and manufacturing. This includes delivering the national Building Services Engineering qualifications in Wales and supporting the delivery of T Levels in England.

Quality assurance, compliance, and governance

EAL continues to review its governance, quality and compliance policies and processes to ensure that they are fit-for-purpose within the current regulatory landscape. A focus over the past year has been considering the opportunities and risks associated with the growth of artificial intelligence, which has been facilitated by Enginuity Group's AI Taskforce Group and engagement with key stakeholders through advisory panels, meetings, and events. We also continue to develop our capacity to offer different assessment methods through investment in our technology infrastructure and people.

6.3 Brand and engagement

Enginuity

Enginuity continues to focus its activities on cultivating its brand voice, including by building significant engagement through social media platforms, with a 27 per cent increase in LinkedIn followers over the period April 2023 – March 2024. Its commitment to online, print and broadcast channels achieved an overall reach of 40 million. Between September 2023 and March 2024, paid social media achieved a total of 6.6 million views, generating more than 28,000 visits to the new website.

Paid social media, targeted to support key skills solutions including Skills Comparator, Role Explorer, and Enspire City, delivered positive results and contributed to website traffic. PR coverage for the Enginuity Skills Awards included a partnership with The Manufacturer, resulting in media and online coverage with a total reach of over 4.1 million. Additional activities achieving significant reach included support for the Skills Action Plan, the UK Shipbuilding Skills Taskforce, T Levels, apprenticeship awareness days in England, Scotland and Wales, STEM Returners and Career Pathways.

EAL

EAL continues to focus on positioning itself as the specialist awarding organisation of first choice for the engineering and manufacturing sector and continues to work with industry, educators, partners, and policy makers, using data insight, intelligence and horizon scanning through its networks to help inform its understanding of the direction of change within the sector, enabling the development of the optimum products and services to drive a sustainable future.

Continuing to strengthen its brand voice, EAL has invested in growing the audience for its own digital channels, with a 12 per cent increase in followers on LinkedIn and X. Investing in broader brand awareness, campaign activity beyond our existing audiences recorded a total reached of nearly 29.5m in 2023-24.

EAL was pleased to launch its new website during 2023-24 and continues to invest in this platform as a route to conversion, improving its self-serve capability to boost the customer journey.

EAL has introduced new roles focused on industry and employer engagement to drive up the EAL brand at the forefront of minds as the leading Awarding Organisation and End Point Assessment partner in our flagship sectors. Our new team of technical advisors complements the work of the External Quality Assurance team and regional development manager teams, supporting our customers with product-related queries, curriculum design or raising awareness of the breadth and depth of portfolios we offer.

Future plans

EAL continues to make good progress against the objectives within its ten-year vision, which encompasses ambitious customer, product development, and green and sustainable growth strategies designed to elevate and expand the EAL business and support Enginuity in the achievement of its charitable objects.

6.4 Our people achievements

Employee engagement

Enginuity hosted an all-colleague conference in March 2024 at Sheffield City Hall to reconnect all employees to its vision, mission and purpose, and to share the 2024-25 business plan. A post-event poll indicated that 93 per cent of colleagues claimed to understand Enginuity's vision (against a pre-conference base measure of 54 per cent).

The annual employee survey and mid-year pulse survey continued to show strong engagement levels across the business with an Engagement Index at 7.5 and Employee Net Promoter Score (eNPS) increasing from -5 to +27 over the past 18 months.

Learning and development

Last year saw the successful launch of the Enginuity 'Lead to Succeed' leadership and management development programme for all people managers within the business, focusing on leadership in the 21st century, developing emotional intelligence and inclusive leadership to enhance the leadership skills in the business as it continues to grow. To date, over 1,900 learning hours have been recorded against the programme.

To support a continued focus on management and leadership development, Enginuity launched its 'Management Essentials' suite of bitesize training, which is mandatory for all people managers and includes modules such as inclusive recruitment, managing performance and managing mental health.

Our strategic workforce planning across the business has enabled us to continue to identify current and future learning requirements, to ensure that Enginuity has the skills now and for the future that will help it to achieve its ambitious business plan goals.

Pay and reward

The Enginuity Group pay and reward strategy, approved by the Remuneration, Pension and Nominations Committee, was implemented during 2023-24. The group has continued to review its reward offer and introduced a healthcare cash plan during 2023-24. Colleagues may claim back the cost of everyday healthcare, such as dental treatment, prescriptions and some complementary therapies, and benefit from access to a 24-hour virtual GP service and a range of app-based health resources. 97 per cent of colleagues have joined the plan.

Digital employee experience

Enginuity continues to focus on digital systems to ensure that colleagues are able to access better data and reporting to inform decision making, using self-service functionality. In 2023-24, the business scoped and configured a new HR system that became live in the summer of 2024.

Enginuity introduced a new careers hub and applicant tracking system (ATS) to improve the candidate experience and streamline the recruitment process, reducing manual processes and duplication of tasks. The ATS has already resulted in efficiencies within the People Team and generated better quality applications. The system enables anonymous shortlisting of interview candidates, supporting diversity and inclusion aims. **Employee experience**

Corporate induction processes have been refreshed to ensure that all new starters within Enginuity's growing team enjoy a positive first experience and learn about the Company, the Department and Team as soon as they join. 90 per cent of employees joining in 2023-24 reported a positive onboarding experience and this is an area of continued focus, with the introduction of a buddy scheme planned for 2024-25 and the optimisation of the new HR system.

Diversity and inclusion

Enginuity understands the benefits of a diverse and inclusive workforce and continues to strive to develop a culture where these values are embedded in the day-to-day experience of all colleagues. In 2023, Enginuity moved from bronze to silver accreditation in the Clear Assured global standard for its diversity and inclusion strategy and approach.

Enginuity continues to work with external partners on our diversity aims and objectives. It is a menopause- friendly organisation with programmes of awareness, opportunities for training, guidance, and support for individuals across the Enginuity group. Enginuity is proud to be a Disability Confident Employer. It continues its partnership with the Association for Black and Minority Ethnic Engineers (AFBE).

Wellbeing

The focus on health and wellbeing is continuing and last year the Enginuity annual walking challenge saw teams complete over three million steps, covering 1,755 miles. Mandatory training is in place for all managers on mental health and wellbeing and our Employee Voice Forum retains wellbeing as a standing agenda item. In June 2023, Enginuity became the proud winner of the 'This Can Happen' award for the Best Mental Health Strategy for an SME.

Looking ahead

There will be a greater focus in 2024-25 on learning and development, helping colleagues to understand career potential pathways and providing a framework for developing the necessary skills to move into future roles. A values-based recognition scheme will recognise colleagues who live the organisation's values and behaviours.

Enginuity's performance management approach will be reviewed to underpin a high-performance culture. The business will see a continued focus on wellbeing, diversity and inclusion. Enginuity plans to work with an external partner on delivering financial education for colleagues.

7. FINANCIAL REVIEW

Our overarching strategic financial objective is to be a sustainable charitable group with a growing surplus that is invested in activities and a positive impact to the UK engineering sector. Our updated organisational strategy includes ambitious growth plans that deliver demonstrable impact to our sector. Underpinning that work, we continue to ensure that our organisation is fit for the future, with the right infrastructure and capabilities to fulfil our ambitions.

We are financed by the sector through EAL, our awarding organisation and, to a lesser extent, direct funding of our charitable products and services. Overall, we are in a strong and privileged position. EAL is an established business which makes a secure source of income, and Enginuity also has strong reserves of £38m, built up through careful fiscal management.

The Consolidated Statement of Financial Activities for the year ended 31 March 2024 shows a net increase in funds of £3,452k (2022/23 increase of £1,064k).

The key drivers of the financial result were:

- better than anticipated financial performance by EAL, with growth in EPA services,
- income from bank interest and investments, and
- reduced expenditure in the year due to staff vacancies and a refund on VAT.

Investments saw an unrealised gain of £3,092k for the year ended 31 March 2024 (2022-23 loss of £1,264k), taking the investment portfolio to a value of £32.5m.

The two trading subsidiaries produced a net surplus of £3,348k (2022-23 net surplus of £4,199k).

The results of the trading subsidiaries are detailed in Note 3(b).

8. INVESTMENTS

The Board's policy, reviewed annually, requires its investments to be managed actively in line with an agreed approach, which ensures that appropriate levels of targeted risk is adopted, and return is achieved. The long-term investment return expectations from the portfolio are set as a total return of inflation plus 3.5 per cent per annum, after expenses.

Our investments were valued at £32.5m at the end of the year and these are solely managed by CCLA. The CCLA Good Investment approach is guided by three imperatives; 'Align with client values', 'Assess company fundamentals' and 'Act for change' by going beyond ethical restrictions to better work engagement themes, such as tackling modern slavery, mental health, and climate action. CCLA's ability to do good in the world extends far beyond the assets they manage by influencing the behaviour and policies of major companies and their employees.

The performance of the portfolio is reviewed quarterly by the Investment Committee, in conjunction with the Investment Manager. Market performance is monitored by Portfolio Manager Consultancy Limited, who report to the Committee every quarter.

The Investment Fund generated an investment income of £349k (2022-23 £862k) from 2023. Investment income generated since is reinvested in the portfolio through an accumulated fund, rather than being paid to a nominated bank account. The overall value of the investment fund increased by £3,092k (2022-23 loss of £1,264k).

9. KEY RISKS AND UNCERTAINTIES DISCLOSURES

The skills infrastructure is extremely fluid, leaving Enginuity and EAL potentially vulnerable to unfolding changes. Market volatility impacts delivery of business plans and financial targets, and the economic climate continues to exert financial pressure on clients. The organisation is required to keep pace with changes in education policy and qualification reforms and retain its active contribution to the deployment of T Levels.

Volatile inflation leads to a potential higher cost base, affecting our ability to maintain our pricing strategy. Interest rate fluctuation impacts the value and returns from investments. Any lack of appetite from the sector for commercial opportunities may impact income diversification. Enginuity has a long-term investment strategy in place, with quarterly monitoring by the Investment Committee.

Enginuity must meet the challenge of demonstrating how its work aligns to public benefit, and this will be addressed through the implementation of the 'Theory of Change' framework.

People challenges include a highly competitive recruitment market potentially affecting increased staff turnover and leading to difficulty in attracting new recruits. Enginuity conducts annual salary benchmarking and a continuous review of benefits to ensure that it remains competitive. A programme of strategic workforce planning is in place to address succession issues.

Mitigating actions are in place against all key strategic risks to ensure that the group remains financially stable and sufficiently agile to respond to changing external conditions.

10. PLANS FOR FUTURE PERIODS

The Enginuity business plan for 2024-25 focuses on building a foundation for a consistent, continually improving, impact driven organisation that is optimised to meet the requirements of its beneficiaries. The plan culminates in a broad 5-year vision.

For 2024-25, the business plan will focus on 30 impact projects. To deliver this ambitious programme, Enginuity has invested in expertise in stakeholder engagement, policy development, technical solutions, and research and data analysis, as well as restructuring its solutions design process around 5 problem statements set out as part of the Organisation's core objectives.

Project highlights for the year ahead will include the development of a movement-based community of key stakeholders who will be invited to make a commitment to closing the skills gap by sharing data and insights, and by working on practical solutions to solve real world problems.

Enginuity will continue to fund support for SMEs via several initiatives, including the 'Lead to Succeed' management development programme and STEM Returners, aimed at helping those who have left the industry to make a productive return. Through its partnership with Teesside University, funding will once more be provided for a number of scholarship placements.

Working in partnership with the Witherslack group of schools for young people with special educational needs and disabilities (SEND), Enginuity will deliver a workstream aimed at identifying and removing barriers for neurodiverse talent to join the workforce. This will complement its work with WISE to increase the participation of women in STEM-based apprenticeships.

During 2024-25, Enginuity expects to launch a closer working relationship with UCAS in support of SME partners, to help them attract new talent. Further significant improvements can be expected to the Enginuity website to deliver content on future technologies and the skills required to capitalise on them. A best practice hub for SMEs will be developed to enable access to resources, data and insight.

Enginuity will continue to widen uptake of its existing suite of digital products, especially Skills Miner and Enspire City, by partnering with organisations and bodies that can provide direct access into schools to inspire the next generation of engineers and technicians.

11. RESERVES

The Board reviews its Reserves Policy on an annual basis. Taking a largely expenditure cover based approach, our Reserves Policy is to hold enough funds to cover our pension liability, deferred income, operating expenditure, and

closure costs. Enginuity has set a minimum level of reserves of £18m for 2023-24 and a maximum target level of reserves of £27m to allow for flexibility, whilst ensuring continuous operations and the delivery of business plans.

Any surplus over the reserves maximum target level is to be used to invest in charitable activities delivering impact to the sector. Free reserves at the end of 2023-24 are £38m, £11m over the required policy. The Board has approved the expenditure of £10m over the next five years as part of the long-term financial strategy.

Reserve 2023-24 minimum	£'000
Pension S75 debt provision	3,200
Deferred Income	4,754
Cover for 6 months expenditure*	9,126
Close down costs**	822
Total Reserves Policy	17,902

Reserve 2023-24 maximum	£'000
Pension S75 debt provision	3,200
Deferred Income	4,754
Cover for 12 months expenditure*	18,252
Close down costs**	822
Total Reserves Policy	27,028

*Based on the annual budget ** Calculated annually

12. GOING CONCERN

The Trustees consider that there are no material uncertainties about Enginuity's ability to continue as a going concern. With regard to future years, the most significant area of uncertainty is around government funding of qualifications. This is covered in more detail in the 'Key Risks and Uncertainties' section of the Trustees' annual report. The level of reserves, including an excess of £11m over the reserves policy, will enable the group to carry out its current charitable activities at the planned and budgeted level for a considerable period, whilst also allowing it the time to develop alternative sources of funding, should government funding of qualifications significantly change, having a material impact on the surplus generated by EAL.

13. KEY MANAGEMENT PERSONNEL REMUNERATION POLICY

An annual benchmarking exercise is conducted which involves reviewing other organisations within the same/similar industries and additionally, the Charities and Public sectors. Recommendations are then made to the Remuneration and Pensions Committee, where a final decision is made as to the total reward and remuneration package.

14. PENSIONS LIABILITIES

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid, the company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in other creditors as a liability in the Statement of Financial Position. The assets of the plan are held separately from the company in independently administered funds.

Enginuity is a participating employer to a defined benefit scheme administered by ITB Pension Funds. A defined benefit scheme is a pension plan under which the company pays fixed pension to its employees. As a member of the multi-employer scheme where the assets and liabilities are not identifiable, Enginuity has accounted for the scheme as a defined contribution scheme, to comply with the provisions of FRS 102. Pension contributions are charged to the consolidated Statement of Financial Activities so as to spread the regular cost of the pensions and related benefits over the employees' working lives. During 2023, the Trustees of ITB Pension Funds completed a buy-in of the Scheme.

The total cost to the company under both schemes for the year was £316,232 (2022-23: £259,715).

15. SUSTAINABILITY STATEMENT

Enginuity places sustainability at the heart of its charitable objectives, to deliver increased public benefit. All of its activities are mapped against UN Sustainable Development goals, which aim to eradicate inequality and poverty, and tackle climate change.

Engineers are needed at every step of the way in the journey to achieve net zero by 2050 in the UK. Data from Make UK reports that 98 per cent of manufacturers are aware of this target and 92 per cent believe it to be achievable within their own businesses, provided the right support is in place.

The engineering and manufacturing sector will be at the heart of the solution to the green skills demand by:

- Advancing low-carbon energy solutions.
- Designing and producing zero emission vehicles, battery technology and sustainable fuels.
- Constructing greener buildings, retrofitting domestic properties and industrial facilities, and deploying carbon capture, usage, and storage solutions.

Enginuity is working to identify specific 'green' tasks within occupations to help develop its data-driven solutions in support of the sector.

Enginuity supports sustainability goals by:

- Creating occupational upskilling solutions that meet the needs of the green economy.
- Validating the need for green skills based on real demand data.
- Supporting the transition of engineers to greener skills, greener jobs, and greener industries.

Enginuity is committed to an investment in its people as part of an inclusive working environment. It aims to attract individuals from diverse backgrounds to help innovate on behalf of the sector and deliver its business plan.

The Enginuity Group is committed to reducing its own impact on the planet through its use of digital technologies, reducing its travel and carbon footprint through remote working and by addressing its use of paper and print.

Enginuity is regulated by the Charity Commission and EAL is required to comply with the criteria of education regulators across the UK. Governance is overseen by an Audit Committee on behalf of the Group Board.

16. STATEMENT OF TRUSTEES (BOARD MEMBERS) RESPONSIBILITIES

The Trustees (who are also Directors of Enginuity for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements, in accordance with applicable law and regulations.

Company law/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 company law/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 these financial statements, the Trustees are required to:

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

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006/Charities Act 2011. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

17. STATEMENT OF DISCLOSURE TO OUR AUDITORS

In so far as the Trustees are aware at the time of approving our Trustees' Annual Report:

- There is no relevant information, being information needed by the auditor in connection with preparing their report, of which the Group's auditor is unaware, and
- The Trustees, having made enquiries of fellow Directors and the Group's auditor that they ought to have individually taken, have each taken steps that he/she is obliged to take as a director to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

18. AUDITORS

In accordance with the Companies Act 2006, a resolution will be proposed at the General Meeting that Crowe U.K. LLP will be reappointed as auditor to the charitable company for the ensuing year. This report, which incorporates the Strategic Report, was approved by the Board on 17th September 2024 and signed on its behalf by:



Sir J McDonald

Chair

Enginuity

Lytchett House, 13 Freeland Park

Wareham Road

Poole

Dorset, BH16 6FA

Independent Auditor's Report to the Members of Enginuity

Opinion

We have audited the financial statements of Enginuity ('the charitable company') and its subsidiaries ('the group') for the year ended 31 March 2024 which comprise Consolidated Statement of Financial Activities, Consolidated Balance sheet, Consolidated Cash Flow Statement 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 Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of group's and the charitable company's affairs as at 31 March 2024 and of the group's income and expenditure, for the 31st March 2024 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 Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group 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 charitable company'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 trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion based on the work undertaken in the course of our audit:

- the information given in the trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act requires us to report to you if, in our opinion:

- the parent company has not kept adequate accounting records; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 20, the trustees (who are also the directors of the charitable company for the purposes of company law) 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 charitable company'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 charitable company 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.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations, are set out below.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, together with the Charities SORP (FRS102) 2019. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company and the group for fraud. The laws and regulations we considered in this context for the UK operations were the Companies Act 2006, Ofqual (England), and relevant taxation legislation.

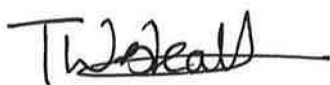
Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of grant and contract income, as well as the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, internal audit and the Audit Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, designing and performing audit procedures over the timing of grant and contract income and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Tara Westcott
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor
4th Floor, St James House
St James Square
Cheltenham GL50 3PR

Date: 20 September 2024

Consolidated Statement of Financial Activities

Company Number: 02324869

Charity Number: 1000328

	Notes	Restricted £000	Unrestricted £000	2024 Total £000	2023 Total £'000
Income					
<i>Other trading activities</i>					
Income from trading subsidiaries	3b	-	13,564	13,564	12,104
<i>Investment income</i>	8	-	349	349	862
<i>Charitable activities</i>					
Externally funded projects	3a	122	303	425	30
Other	3a	-	156	156	328
Total income		122	14,372	14,494	13,324
Expenditure on					
<i>Raising funds</i>					
Expenditure of trading subsidiaries	3b	-	10,385	10,385	7,905
Investment managers' fees		-	61	61	60
Total cost of raising funds		-	10,446	10,446	7,965
<i>Charitable activities:</i>					
Promoting & representing the sector		-	321	321	118
Digital skills solutions		-	1,925	1,925	1,493
Certification		-	580	580	478
Frameworks		-	0	0	175
Partnerships, policies & strategic engagement		133	729	862	556
Skills Miner		-	0	0	211
Total charitable activities	7	133	3,555	3,688	3,031
Total expenditure		133	14,001	14,134	10,996
Net (expenditure) / Income before gains on Investments		(11)	371	360	2,328
Net gains/(losses) on investments	11	-	3,092	3,092	(1,264)
Transfers between funds		11	(11)	0	-
Net movements in funds		-	3,452	3,452	1,064
Total funds brought forward	20	-	34,626	34,626	33,562
Total funds carried forward	20	-	38,078	38,078	34,626

All activities are continuing.

All income and expenditure in the year ended 31 March 2023 was unrestricted.

The notes on pages 29 to 41 form part of the accounts.

		2024	2023
	Notes	£'000	£'000
FIXED ASSETS			
Tangible assets	10	-	-
Investments	11	34,171	31,406
		<u>34,171</u>	<u>31,406</u>
CURRENT ASSETS			
Debtors	13	2,536	1,986
Bank and cash balances		7,539	7,114
		<u>10,075</u>	<u>9,100</u>
CURRENT LIABILITIES			
Creditors: Amounts falling due within one year	14	<u>(5,031)</u>	<u>(4,829)</u>
NET CURRENT ASSETS		<u>5,044</u>	<u>4,271</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>39,215</u>	<u>35,677</u>
CREDITORS: amounts falling due after one year	15	<u>(1,137)</u>	<u>(1,051)</u>
NET ASSETS	20	<u><u>38,078</u></u>	<u><u>34,626</u></u>
FUNDS AND RESERVES			
Unrestricted reserves	19	<u><u>38,078</u></u>	<u><u>34,626</u></u>

The financial statements were approved and authorised for issue by the Board on the 17th September 2024 and were signed below on its behalf by:



Sir J McDonald
Chair

The notes on pages 29 to 41 form part of the accounts.

	Notes	2024 £'000	2023 £'000
FIXED ASSETS			
Tangible assets	10	-	-
Investments	11	34,171	31,406
Investment in subsidiaries	12	50	50
		<u>34,221</u>	<u>31,456</u>
CURRENT ASSETS			
Debtors	13	4,193	2,173
Bank and cash balances		343	1,667
		<u>4,536</u>	<u>3,840</u>
CURRENT LIABILITIES			
CREDITORS: amounts falling due within one year	14	(936)	(730)
		<u>3,600</u>	<u>3,110</u>
NET CURRENT ASSETS			
TOTAL ASSETS			
		37,821	34,566
CREDITORS: amounts falling due after one year			
	15	0	0
		<u>37,821</u>	<u>34,566</u>
NET ASSETS			
FUNDS AND RESERVES			
Unrestricted funds			
	19	<u>37,821</u>	<u>34,566</u>

In accordance with section 408 of the Companies Act 2006, a separate Statement of Financial Activities for the charity has not been presented. The result for the charity was a surplus £3,255k (2023: surplus £1,113k).

The financial statements were approved and authorised for issue by the Board on the 17th September 2024 and were signed below on its behalf by:



Sir J McDonald
Chair

The notes on pages 29 to 41 form part of the accounts.

		2024	2023
	Notes	£'000	£'000
Cash (used by) / provided by operating activities	a)	(251)	1,376
Cash flows from investing activities			
Investment income received		349	862
Payments to acquire investments		(5,476)	(18)
Cash withdrawn from investments		500	0
Receipts from the sale of investments		5,303	18
Cash Provided by investing activities		676	862
Repayments of finance leases in the year		0	(30)
Interest paid on finance leases		0	5
Cash not provided by financing activities		0	(25)
Net increase in cash		425	2,213
Cash and cash equivalents at start of year		7,114	4,901
Cash and cash equivalents at end of year		7,539	7,114
Analysis of cash and cash equivalents			
Cash at bank and in hand		7,539	7,114

Refer to note b) for the analysis of changes in net debt.

The notes on pages 29 to 41 form part of the accounts.

Consolidated Cash Flow Statement

Company Number: 02324869

Charity Number: 1000328

	2024	2023
	£'000	£'000
a) Reconciliation of net incoming resources to net cash inflow from operating activities		
Net movement in funds	3,452	1,064
Investment income	(349)	(862)
Depreciation	0	26
Decrease/(Increase) in creditors	288	(25)
(Decrease) in debtors	(550)	(123)
Decrease in stocks	0	32
Net (gain)/loss on investments	(3,092)	1,264
Net cash (used by) / provided by operating activities	(251)	1,376

	At beginning of the year £'000	Cash flows £'000	Non cash movements £'000	At end of the year £'000
b) Analysis of changes in net debt				
Cash and cash equivalents	7,114	425	0	7,539
	7,114	425	0	7,539
Finance lease obligations due in 1 year	0	0	0	0
Finance lease obligations due in more than 1 year	0	0	0	0
	7,114	425	0	7,539

The notes on pages 29 to 41 form part of these accounts.

1. GENERAL INFORMATION

Enginuity is a charitable company, limited by guarantee, incorporated in England and Wales under the Companies Act 2006. The address of the registered office is shown on the Advisors page. The nature of the charity's operations and its principal activities are outlined in the Trustees'/Directors' Report.

2. ACCOUNTING POLICIES

The principal accounting policies adopted, judgements and key sources of estimation uncertainty (see note 4) in the preparation of the financial statements are as follows:

Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP 2nd Edition (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Enginuity meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes. All the expenditure incurred by the Enginuity group is for charitable purposes.

The presentation currency and functional currency of the charity is pounds sterling and is rounded to the nearest thousand pounds.

Parent charitable company disclosure exemptions

In preparing the separate financial statements of the parent charitable company, advantage has been taken of the following disclosure exemptions available in FRS 102:

- No cash flow statement has been presented for the parent charitable company;
- Disclosures in respect of the parent charitable company's financial instruments have not been presented as equivalent disclosures have been provided in respect of the group as a whole;
- No disclosure has been given for the aggregate remuneration of the key management personnel of the parent charitable company as their remuneration is included in the totals for the group as a whole.

Going concern

The directors have assessed whether the use of the going concern basis is appropriate and have made this assessment based on a forecast for the parent company to the end of March 2026, a budget for EAL to March 2025 and a 10-year financial plan. The directors believe that the company's financial resources and contingency planning is sufficient to ensure the ability of the company to continue as a going concern for the foreseeable future, being at least twelve months from the date of approval of these financial statements and therefore have prepared the financial statements on a going concern basis.

Financial statements

The financial statements consolidate the results of Enginuity and its subsidiaries on a line-by-line basis. Please see accounting note 3 for further details.

Incoming resources

Income represents the amount receivable for goods and services for the period, but excludes value added tax and trade discounts.

All income is recognised once the charitable group has entitlement to the income. It is probable that the income will be received, and the amount of income receivable can be measured reliably.

All other awarding income included in EAL is recognised over the published average time taken to complete the individual qualifications.

Income from investments represents interest from bank deposits. Interest on funds held on deposit is recognised when receivable and the amount can be measured reliably by the charity. This is normally upon notification of the interest paid or payable by the bank.

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due. This is normally upon notification by our investment advisor of the dividend yield of the investment portfolio.

Gift aid

The charity owns the whole of the issued ordinary share capital of Excellence Achievement & Learning Limited, and Enginuity Skills Limited (see note 12).

Enginuity is a registered charity and as such is entitled to certain tax exemptions on income and profit from investments and surpluses on trading activities carried out in the furtherance of the charity's primary objectives, if these profits and surpluses are applied solely for charitable purposes. The UK subsidiary companies give all their taxable profits to the charity, normally resulting in no liability for corporation tax.

Gift aid is recognised on the accruals basis in line with the deed of covenant.

Resources expended

Resources expended are included in the Statement of Financial Activities on an accruals basis, inclusive of any VAT which cannot be recovered. Certain expenditure is directly attributable to specific activities and has been included in these cost categories. Support costs, which cannot be directly allocated, are apportioned across the categories on the basis of an estimate of the proportion of time spent by staff on those activities.

Costs of raising funds are the costs incurred in attracting voluntary income and those costs incurred in trading activities that raise funds.

Governance costs form part of support costs for the charity. These include the external audit fee and an assessment of the time spent undertaking company secretarial responsibilities.

All expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party. It is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

Interest expenses are charged to the Statement of Financial Activities over the term of the debt using the effective interest method, so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged to allocate the cost of assets less their residual value over their estimated useful lives, on a reducing balance basis.

Depreciation is provided on the following basis:

	Years
Office furniture	10
Equipment	3

Only assets with a cost of over £5,000 are capitalised. The assets' residual values, useful lives and depreciation methods are reviewed and adjusted prospectively, if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

Fixed asset investments

Investments are stated at market value as at 31 March 2024. Realised and unrealised gains and losses are released or charged to the consolidated Statement of Financial Activities in the year in which they arise.

The investment in subsidiaries is stated at the lower of cost and net asset value.

Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Cash

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Financial Instruments

Financial assets

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

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the consolidated Profit and Loss Account.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows, discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

Financial liabilities and equity

Financial liabilities and equity 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.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Grants payable

Grants payable to other organisations are agreed as part of the Business Planning process. The cost is charged to the Statement of Financial Activities in the period to which the grant relates.

Fund accounting

The general reserve (unrestricted funds) comprises of those monies which may be used towards furthering the charitable objects.

Leased assets: Lessee

Where assets are financed by leasing agreements that give rights approximating to ownership (finance leases), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable over the term of the lease. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to profit or loss over the shorter of estimated useful economic life and the term of the lease.

Finance lease payments are analysed between capital and interest components so that the interest element of the payment is charged to profit or loss over the term of the lease and is calculated so that it represents a constant

proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

All other leases are treated as operating leases. Their annual rentals are charged to profit or loss on a straight-line basis.

Pensions

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid, the company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in other creditors as a liability in the statement of financial position. The assets of the plan are held separately from the company in independently administered funds.

Enginuity is a participating employer to a defined benefit scheme administered by ITB Pension Funds. A defined benefit scheme is a pension plan under which the company pays fixed pension to its employees. As a member of the multi-employer scheme where the assets and liabilities are not identifiable, Enginuity has accounted for the scheme as a defined contribution scheme to comply with the provisions of FRS 102. Pension contributions are charged to the consolidated Statement of Financial Activities so as to spread the regular cost of the pensions and related benefits over the employees' working lives.

Judgements and key areas of estimation uncertainty

In preparing these financial statements, the trustees have had to make the following judgements:

Leases

Determine whether leases entered into by the company 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.

Impairment

Determine whether there are indicators of impairment of the company's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

Tangible fixed assets

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on the number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

3. INCOMING RESOURCES AND NET MOVEMENT IN FUNDS

a) Analysis of income

The majority of group activities are conducted in the United Kingdom.

Excellence Achievement & Learning Limited (EAL) conducted business with centres outside the UK totalling £65,142 in the year (2023: £51,266).

Externally funded projects income represents the contribution to Enginuity for staff time spent on projects funded by the UK government and other stakeholders. This income totalled £424,128 in the year (2023: £30,361).

Other income represents the charge to Enginuity customers for services provided by the charity. This relates to income generated through certification of learners, and development of National Occupation standards for devolved nations. This income totalled £156,675 in the year (2023: £328,461).

Income from trading subsidiaries represents the turnover of the charity's trading subsidiaries included in Enginuity's accounts.

b) Results of trading subsidiaries

The charity owns 100% of the allotted ordinary share capital of the following companies which are incorporated in the UK, with the registered office addresses of both being the same as the parent charity:

- Excellence Achievement & Learning Limited (EAL) is the awarding organisation for vocational qualifications primarily in the engineering sector.
- Enginuity Skills Limited delivers certain contracts and commitment for third parties in the engineering and manufacturing sectors which Enginuity, the charity, may not be able to enter into itself.

A summary of the trading results included in the consolidated accounts is shown below.

Audited accounts for each subsidiary entity have been filed with the Registrar of Companies.

	EAL	Enginuity Skills Limited	2024 Total	2023 Total
	£'000	£'000	£'000	£'000
Income:				
Income	13,557	7	13,564	12,104
Investment Income	171	0	171	0
Total Income:	13,728	7	13,735	12,104
Expenditure:				
Staff costs	4,530	0	4,530	3,436
Other operating charges	5,850	5	5,855	4,469
Total Expenditure:	10,380	5	10,385	7,905
Net surplus/(deficit)	3,348	2	3,350	4,199
Gift Aid to Enginuity	(3,148)	(2)	(3,150)	(4,199)
	200	0	200	0

4. STAFF COSTS
Group

	2024	2023
	£'000	£'000
Wages and salaries	6,739	5,379
Social security charges	729	608
Other pension costs	316	260
	7,784	6,247

During the year the group made termination payments of £233,346 (2023: £254,566).

The average monthly number of persons employed by the group during the year was as follows:

	2024	2023
	No.	No.
By the Group		
Qualification awarding services	100	85
Support Services Staff	38	30
	138	115

Charity

Notes to the Financial Statements

The parent charity's staff costs are as follows:

	2024	2023
	£'000	£'000
Wages and salaries	2,824	2,434
Social security charges	310	274
Other pension costs	120	106
	<u>3,254</u>	<u>2,814</u>
	=====	=====

The average monthly number of persons employed during the year by the parent charity was as follows:

	2024	2023
	No.	No.
Charitable Activities Delivery Staff	15	14
Support Services Staff	38	32
	<u>53</u>	<u>46</u>
	=====	=====

Emoluments of employees

The number of employees whose emoluments as defined for taxation purposes exceeded £60,000 per annum during the period was as follows:

	2024	2023
£60,001 - £70,000	22	15
£70,001 - £80,000	1	3
£80,001 - £90,000	4	2
£90,001 - £100,000	3	4
£100,001 - £110,000	1	0
£110,001 - £120,000	1	0
£160,001 - £170,000	0	1
£180,001 - £190,000	1	0
£190,001 - £200,000	1	1
£260,001 - £270,000	1	1
	<u>35</u>	<u>27</u>
Total	=====	=====

The total of key management personnel compensation for the year was £1,298,373 (2023: £933,188).

Trustees' remuneration

During the year, in accordance with the Articles of Association of the charity, payments were made to the Chair totalling £42,653 (2023: £40,367). The total amount of expenditure reimbursed to three Board members in respect of expenses (travel, subsistence and accommodation) incurred on the charity's activities was £2,400 (2023: £592, 3 board members). No other trustees received any remuneration (2023: £Nil).

6. NET INCOMING RESOURCES

Net incoming resources are arrived at after charging the following:

	2024 £'000	2023 £'000
Auditor's remuneration		
- Audit services	26	24
- Tax compliance services	7	6
- Other non-audit services	5	5
- Operating lease rentals-motor vehicles	31	99
- Depreciation	-	25
	<u> </u>	<u> </u>

Auditors' remuneration includes £5,120 in respect of the audit of the parent charity (2023: £4,840) and £20,480 in respect of the audit of the subsidiary undertakings (2023: £19,360). Fees in relation to non-audit services were £4,865 (2023: £4,675).

7. EXPENDITURE ON CHARITABLE ACTIVITIES

	Staff No's	Direct costs £'000	Support costs £'000	2024 Total costs £'000
Promoting the sector (Skills Awards)	1	171	150	321
Digital Skills Solutions	8	724	1,201	1,925
Certification	3	130	450	580
Partnerships, policies & strategic engagement	3	411	451	862
	<u>15</u>	<u>1,436</u>	<u>2,252</u>	<u>3,688</u>
	Staff No's	Direct costs £'000	Support costs £'000	2023 Total costs £'000
Promoting the sector (Skills Awards)	1	0	118	118
Digital Skills Solutions	5	905	588	1,493
Certification	3	126	352	478
Framework	1	57	118	175
Partnerships, policies & strategic engagement	3	203	353	556
Other charitable costs	1	94	117	211
	<u>14</u>	<u>1,385</u>	<u>1,646</u>	<u>3,031</u>

Support costs have been allocated across the charitable activities based on average full-time equivalent headcount in the charity, as this basis is consistent with the use of the resources. Governance costs are included within support costs and totalled £58,164 (2023: £63,691) for the period. Governance costs consist of Chair's remuneration, group's audit fees, and expenses reimbursed to Board members in respect of expenses incurred on the charity's activities.

8. INVESTMENT INCOME

	2024 £'000	2023 £'000
Income from fixed asset investments	349	862
	<u>349</u>	<u>862</u>

9. TAXATION

Enginuity is a registered charity and therefore is not liable for income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

10. FIXED ASSETS

	Equipment £'000	Total £'000
Group		
Cost		
At 1 April 2023	667	667
Disposal	(440)	(440)
At 31 March 2024	227	227
Depreciation		
At 1 April 2023	667	667
Disposal	(440)	(440)
Charge in year	0	0
At 31 March 2024	227	227
Net Book Value		
At 31 March 2024	0	0
At 31 March 2023	0	0
	Office furniture & equipment £'000	Total £'000
Charity		
Cost		
At 1 April 2023	667	667
Disposal	(440)	(440)
At 31 March 2024	227	227
Depreciation		
At 1 April 2023	667	667
Disposal	(440)	(440)
Charge in year	0	0
At 31 March 2024	227	227
Net Book Value		
At 31 March 2024	0	0
At 31 March 2023	0	0

11. FIXED ASSET INVESTMENTS

			2024	2023
	COIF	BNY Mellon		
Group & Charity	Charity			
	£'000	£'000	£'000	£'000
Balance 1 April 2023	23,968	5,303	29,271	30,536
Additions	5,476	-	5,476	18
Disposals	-	(5,303)	(5,303)	(19)
Net Gain/(Loss) gain on revaluation	3,092	-	3,092	(1,264)
	<u>32,536</u>	<u>-</u>	<u>32,536</u>	<u>29,271</u>
Cash awaiting investment	1,635	-	1,635	2,135
	<u>34,171</u>	<u>0</u>	<u>34,171</u>	<u>31,406</u>
Balance at 31 March 2024 at Market Value	<u>34,171</u>	<u>0</u>	<u>34,171</u>	<u>31,406</u>
Historical cost of Investments	<u>31,047</u>	<u>0</u>	<u>31,047</u>	<u>30,345</u>
	=====	=====	=====	=====

The net gain / (loss) on revaluation was £3,092k (2023: £1,264k)

	2024	2023
	£'000	£000
COIF Charities investment fund unit	32,536	23,968
COIF Deposit fund	1,635	2,135
BNY Mellon Real Return fund Newton Inst. Share (inc)	0	5,303
	=====	=====

12. INVESTMENTS IN SUBSIDIARIES

	2024	2023
	£'000	£'000
Charity		
Shares at cost	50	50
	<u>50</u>	<u>50</u>
	=====	=====

The charity owns 100% of the allotted ordinary share capital of the following subsidiaries, all of which are registered in England and Wales:

Excellence Achievement & Learning Limited (company registration no 02700780)

A company registered in England and Wales which provides the assessment systems for awarding vocational qualifications, primarily in the engineering sector, and acts as the awarding body for those qualifications.

Enginuity Skills Limited (company registration no 12172530)

A company registered in England and Wales whose principal activity is the provision of projects for specific commercial partners within the engineering sector.

The registered office of all of the above subsidiaries is Lytchett House, 13 Freeland Park, Wareham Road, Poole, Dorset, BH16 6FA.

Notes to the Financial Statements

13. DEBTORS	Group		Charity	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Amounts falling due within one year				
Trade debtors	1,914	1,278	197	145
Amounts owed by subsidiary undertakings	0	0	3,691	1,637
Other debtors	17	0	0	0
Prepayments	579	528	298	211
Accrued income	26	180	7	180
	<u>2,536</u>	<u>1,986</u>	<u>4,193</u>	<u>2,173</u>

Bad debt recognised for the group during the year as a reduction in expense was £27,380 (2023: £47,909).

14. CREDITORS: amounts falling due within one year	Group		Charity	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Trade creditors	522	332	277	151
Taxation and social security	340	262	227	175
Other creditors	85	114	69	7
Accruals	493	505	236	234
Deferred income	3,591	3,616	127	163
	<u>5,031</u>	<u>4,829</u>	<u>936</u>	<u>730</u>

15. CREDITORS: amounts falling due after one year	Group		Charity	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Deferred Income	1,137	1,051	0	0
	<u>1,137</u>	<u>1,051</u>	<u>0</u>	<u>0</u>

16. DEFERRED INCOME	Group		Charity	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Balance at 1 April	4,667	4,590	163	24
Amount released to income	(163)	(58)	(163)	(24)
Amount deferred in the period	224	135	127	163
	<u>4,728</u>	<u>4,667</u>	<u>127</u>	<u>163</u>

Deferred income of £127k (2023: £163k) relates to externally funded projects, both from customers within and outside of UK, with deliverables within 1 year.

17. FINANCE LEASE AGREEMENTS

The group has no finance leases outstanding

18. OBLIGATIONS UNDER OPERATING LEASE AGREEMENTS

At 31 March 2024 the group has future minimum lease commitments as follows:

	2024 £'000	2023 £'000
Expiry date		
Less than one year	1	14
One to five years	0	3
	<u>1</u>	<u>17</u>

19. FUNDS AND RESERVES

Group	Restricted funds 2024 £'000	Unrestricted funds 2024 £'000	Total funds 2024 £'000	Total Funds 2023 £'000
At 1 April	0	34,626	34,626	33,562
Gains/(losses) on Investments	0	3,092	3,092	(1,264)
Income Received	122	14,372	14,494	13,324
Expenditure	(133)	(14,001)	(14,134)	(10,996)
Transfer between funds	11	(11)	0	0
	<u>0</u>	<u>38,078</u>	<u>38078</u>	<u>34,626</u>

Charity	Restricted funds 2024 £'000	Unrestricted funds 2024 £'000	Total funds 2024 £'000	Total Funds 2023 £'000
At 1 April	0	34,566	34,566	33,453
Gains/(losses) on Investments	0	3,092	3,092	2,985
Income Received	122	3,787	3,909	1,221
Expenditure	(133)	(3,613)	(3,746)	(3,093)
Transfer between funds	11	(11)	0	0
	<u>0</u>	<u>37,821</u>	<u>37,821</u>	<u>34,566</u>

20. NET ASSETS/LIABILITIES

	Group		Charity	
	Unrestricted funds 2024 £'000	Unrestricted funds 2023 £'000	Unrestricted funds 2024 £'000	Unrestricted funds 2023 £'000
Tangible fixed assets	0	0	0	0
Investments	34,171	31,406	34,221	31,406
Current assets	10,075	9,100	4,536	6,451
Current liabilities	(5,031)	(4,829)	(936)	(3,291)
Non-current liabilities	(1,137)	(1,051)	0	0
	<u>38,078</u>	<u>34,626</u>	<u>37,821</u>	<u>34,566</u>

21. FINANCIAL ASSETS AND LIABILITIES	2024 £'000	2023 £'000
Group Financial assets measured at fair value through profit or loss	32,536	29,272

Financial assets measured at fair value through profit or loss include the investments.

22. LIABILITY OF MEMBERS

The charity is constituted as a company limited by guarantee. In the event of the charity being wound up, members are required to contribute an amount not exceeding £1.

23. RELATED PARTY TRANSACTIONS

Due to the nature of the charity, most trustees will be associated with organisations which may have a financial relationship with the charity. Opportunity is given for disclosure of any financial or other interest prior to any Board discussions.

All transactions involving organisations in which a member of the key management may have an interest are conducted at arm's length and in accordance with group's financial regulations and normal procurement procedures.

During the year, the group incurred cost in relation to hire of venues amounting to £16,754 (2023 £8,584) provided by Make UK. Sales of £12,012 were also made (2023: £29,678). The Group Chief Executive Officer was appointed to the Make UK board during the financial year 2022-23.

During the year, the group incurred cost in relation to internal audit amounting to £4500 (2023 : Nil) provided by My Accountancy People Limited (a trustee has a senior role in this company).

During the year, the group received £15,000 (2023: £15,000) from Rolls Royce in relation to sponsorship of the Skills Awards and £1,544 (2023: £1,816) for assessment and qualifications income (a trustee has a senior role within this company).

During the year the group received £5,000 (2023: Nil) from Siemens PLC in relation to sponsorship of the Skills Awards and £25,888 (2023: £78,510) for assessment and qualifications income (a trustee has a senior role within this company).

During the year the group received £61,901 (2023: £71,714) from Birmingham Metropolitan Colleges in relation to assessment and qualifications income (a trustee has a senior role within this company).

During the year the group received £6,321 (2023: £3,658) from Burton and South Derbyshire Colleges in relation to assessment and qualifications income (2 trustees have senior roles within this company).

During the year the group received £790 (2023: £522) from National Physical Laboratory in relations to centre recognition (a trustee has a senior role within this company).

At the year end there was £1,800 owed to suppliers and £6,014 owed to the group relating in respect to our related parties.

24. PENSION COMMITMENTS

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid, the company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the statement of financial position. The assets of the plan are held separately from the company in independently administered funds.

EAL is a participating employer to a defined benefit scheme administered by ITB Pension Funds. A defined benefit scheme is a pension plan under which the company pays fixed pension to its employees. As a member of the multi-employer scheme where the assets and liabilities are not identifiable, EAL has accounted for the scheme as a defined contribution scheme to comply with the provisions of FRS 102. Pension contributions are charged to the consolidated Statement of Financial Activities to spread the regular cost of the pensions and related benefits over the employees' working lives.

The total cost to the company under both schemes for the year was £316,338 (2023: £259,715).

ENGINEUITY

England & Wales - Charity number 1000328

Accounts



Enginuity
**(formerly Science, Engineering And Manufacturing
Technologies Alliance)**

Report And Consolidated Financial Statements

for the year ended 31 March 2023

Company Number: 02324869
Charity Number: 1000328

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ENGINEUNITY

ADVISORS FOR THE YEAR ENDED 31 MARCH 2023

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BNY Mellon Fund Managers Limited
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EC4V 4LA

Investment Advisor

Portfolio Manager Consultancy Ltd
Woodwater House
Pynes Hill
Exeter
EX2 5WR

Board Members

Dame J Hackitt DBE (Chair)
M Evans
S Hunter
J Lopes
S Pamplin
M Tarry
P Birt
S Sandle
K Boswell OBE (resigned 13 December 2022)
J Wood
V Saward
P Perera
A Burke

Chief Executive

A Watson

Banker

Barclays Bank plc
62/62 High Street
Watford
WD17 2BT

Solicitors

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Womble Bond Dickinson (UK) LLP
4 More London
Riverside
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SE1 2AU

Report of the Chair by Dame Judith Hackitt DBE

Last year marks the culmination of a key phase in the transformation of Enginuity on its journey to becoming a leading connector and supporter of the manufacturing and engineering sector. The organisation has made significant progress during 2022-23 in laying the foundations of a new suite of products and services that have been skilfully and expertly designed to help boost the pace of skills development across our industry.

Enginuity has been following a complex journey from its original inception as a Sector Skills Council to its current position as a self-sufficient and trusted organisation that has seen success in the development of a robust response to the skills agenda. Over the last year, our key focus has been on developing the capacity and capability to deliver compelling charitable benefit through ambitious programmes, thoroughgoing consultations and the design of ground-breaking products and services.

Enginuity is now following a trajectory that will raise its profile still further as it works with ambition to fulfil its mission as a reconstructed organisation. Thanks to its investment in expertise, tools, and processes, Enginuity has strengthened its ability to offer support to industry, in helping organisations across the sector to identify skills gaps, find similar sectors with complementary skills, and pinpoint the appropriate training and development to address their skills requirements.

As we move into 2023-24 and beyond, the organisation has made a commitment to invest £2M annually in charitable activities designed to support the entire UK manufacturing and engineering sector. Enginuity has already launched its series of Skills Miner interactive games designed to inspire young people to explore careers based on Science, Technology, Engineering and Maths (STEM) subjects.

Enginuity's focus on skills taxonomy has enabled it to develop a common language for the sector through its Skills Framework platform which brings together key information on a wide range of occupations, job roles, and work activities within manufacturing and engineering. This abundant resource is set to provide the sector with a better understanding of labour market trends, insights for future workforce planning and improved careers information for individuals.

At the heart of Enginuity's mission is its core focus on collaboration. Convening and leading the National Manufacturing Skills Taskforce has been one of its most significant achievements to date. Enginuity has successfully brought together industry partners from multiple sectors alongside professional bodies and organisations including the Catapult Network, the Royal Academy of Engineering and Make UK, to curate a single, unified voice that speaks to government on the skills agenda.

This provides a clear steer to policy makers on the key requirements of apprenticeships, and the imperative for reskilling, and upskilling. The successful establishment of the Taskforce makes a powerful statement about Enginuity's commitment to bringing organisations across the sector together in the firm belief that we are stronger together.

I am proud of the progress that the Enginuity team has achieved over the last year and would like to thank them all for their hard work and commitment to living the values of the organisation. It is also a pleasure to work alongside our highly dedicated group of trustees whose endeavours provide a bedrock of support to the organisation.

In the year ahead, Enginuity looks forward to reaching out still further as part of our mission to boost skills development and growth within the sector. We have full confidence that our brand will become synonymous with support for engineering and manufacturing and our reputation will be cemented as we continue to demonstrate the outstanding quality of our products and services.

1. ADMINISTRATIVE DETAILS

ENGINEUITY is a company, limited by guarantee (company number 02324869) and does not have share capital, which is incorporated in England and Wales under the Companies Act 2006. It is a registered charity (charity number 1000328) governed by its memorandum and articles of association. The charity owns 100% of the allotted ordinary share capital of two trading subsidiaries.

The members of the Board who held office during the year were:

Dame J Hackitt DBE (Chair)

M Evans 2

S Hunter

J Lopes

S Pamplin 6

M Tarry 1 & 2&4

P Birt 3&1

S Sandle 3

K Boswell OBE (resigned 13 December 2022)

J Wood

V Saward 5

P Perera

A Burke

- 1 Member of the Investment Committee
- 2 Member of the Audit Committee
- 3 Member of the Remuneration and Pensions Committee
- 4 Member and Chair of the Audit Committee
- 5 Member and Chair of the Investment Committee
- 6 Member and Chair of the Remuneration and Pensions Committee

The Chief Executive, professional advisors and registered office of the charity are listed on page 1.

2. STRATEGIC REPORT

During 2022-23, Enginuity continued its mission to proactively support employers in engineering and manufacturing industries to inspire and develop the engineers, technicians, and scientists on which the future of the sector relies. As a charity, Enginuity remains dedicated to exploring new ways to help UK manufacturing and engineering businesses to predict and address skills gaps, ensuring that the sector recruits and retains a highly skilled and globally competitive workforce.

We believe that the problem-solving skills of engineers will be vital in tackling the most significant challenges facing our society. We have worked collaboratively across all elements of the sector bringing together stakeholders that represent a wide range of adjacent industries in which engineering and manufacturing skills are relevant. Many of the solutions we have developed, and the interventions we have made, are based on ground-breaking research and a detailed understanding of the skills challenges affecting our sector.

Strategic engagement

Over the last year, Enginuity has been working to develop solutions to support the engineering and manufacturing skills ecosystem in partnership with employers and policy makers from all four UK nations. We have engaged in multiple high-profile consultations and worked alongside sector skills leaders to help inform and shape key decisions on skills training and development.

Enginuity has provided input to government on a wide range of skills issues including the Department for Transport's inquiry into the transportation workforce, highlighting the emerging importance of electrification, hydrogen technology, and digitalisation. We contributed to the inquiry led by Lord Knight and Lord Willetts alongside Engineering UK to explore the decline in engineering and manufacturing apprenticeships, setting out a seven-point agenda to address recovery in this area. Enginuity responded to the House of Lords Science and Technology Committee's inquiry and our Chair, Dame Judith Hackitt DBE, gave evidence and recommended maintaining a focus on promoting STEM careers for young people and on attracting skilled and experienced teachers into STEM posts.

**TRUSTEES'/DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2023**

We are proud to have worked with the Scottish government through Skills Development Scotland on an independent and wide-ranging review of the system for skills delivery including the role and content of apprenticeships. Enginuity assisted Qualifications Wales with the planned introduction of a new GCSE in engineering designed to boost the prestige of the subject throughout the talent pipeline.

Enginuity has engaged with several bodies focused on supporting skills within the transportation arena including the UK Shipbuilding Skills Taskforce (UKSST) as part of the development of a future-focused skills strategy. We contributed to the Automotive Council UK Skills Working Group on helping adults within the sector to upskill and reskill as the electrification revolution gathers momentum. And we supported the Aerospace Growth Partnership through its Skills Working Group as it addresses current and future growth opportunities.

Digital skills solutions

The Enginuity team is proud of its progress on the development of a Skills Framework platform that has become the brainpower behind its digital skills solutions offer. The Skills Framework brings together insights based on a far-reaching occupational taxonomy delivered via an intuitive online platform which will launch in summer 2023. This will enable employers to source information on workforce supply and demand, and individuals to discover how their transferable skills can open up alternative career pathways in sectors of which they may not have been aware. Researchers and scientists can access a wealth of in-depth data that enables them to study career and skills trends.

Enginuity has seen significant success in the development and deployment of its Skills Miner interactive games that serve to inspire school pupils with ideas for STEM careers. Based on the popular gaming platform, Minecraft, Enginuity added vertical farming, launching the game variant during Digital Manufacturing Week. Skills Miner has achieved the endorsement of the Skills Builder Partnership for its positive contribution to Gatsby Benchmarks.

During 2022-23, Enginuity began the development of a new online interactive career map, 'Enspire City' that reveals industry zones, career pathways and inspirational role models, enabling young people to explore possible routes and learn about new and growing sectors. Launching in summer 2023, Enspire City will allow young people to explore industry zones including automotive, aerospace, vertical farming, and space.

In April 2022, we were delighted to support Plymouth City Council and Babcock who were keen to utilise Enginuity's expertise to develop an interactive game designed to reveal the latent skills and talent of young people from communities with access to fewer opportunities, helping young people in the Plymouth area into apprenticeships and employment.

Celebrating highlights

We were pleased to note the strong performance of EAL over the last year which has demonstrated a strong post-pandemic recovery. It has been reassuring to see that employers in the sector are investing in apprenticeships and other qualifications once more, and we welcomed the live launch of the new T Level in engineering and manufacturing in September 2022.

Enginuity welcomes the news of the large fall in the Section 75 pension debt, following the triannual valuation of the ITB Pension Scheme, allowing for a reduction in the Group Reserves Policy.

3. STRUCTURE, GOVERNANCE AND MANAGEMENT

The charity is governed by a Board representative of employers in the sector. The members of the Board are trustees of the charity and also directors for the purposes of company law. The Board meets quarterly to review progress against the agreed business plan and agree on future strategy. Responsibility for the management of the business is delegated to the Chief Executive.

There are four committees which submit reports to the full Board:

- Investment Committee
- Audit Committee
- Remuneration, Pensions and Nominations Committee
- Quality Assurance Committee.

**TRUSTEES'/DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2023**

In addition, a Board Standing Committee meets as and when required and has delegated authority to approve expenditure and contracts on behalf of the Board. As directors of the company, the Board members are responsible for overseeing the company's business in a manner consistent with its charitable objectives. They are also guarantors to the company. The two subsidiaries are Excellence Achievement & Learning Limited (EAL - a Vocational Awarding Organisation) and Enginuity Skills Limited, which is used for commercial contracts for products developed by the charity.

Enginuity has reviewed the Charity Governance Code and mapped processes against the recommended practices. The Code is used as a tool for continuous improvement towards the highest standards within Enginuity and an action plan is in place. An external review of the Board and committees was carried out in 2022 and will be undertaken every three years. In addition, Board and committee self-assessments are carried out on an annual basis. The key internal financial control procedures are summarised as follows:

Control environment:

There is a clear organisational structure with well-defined lines of responsibility and delegation of appropriate levels of authority.

Risk management:

Business strategy and business plans are reviewed by the Board. Detailed appraisals are undertaken, and financial implications evaluated prior to all capital expenditure and projects. Risk assessments are considered by the Audit Committee at each meeting and reported back to the Board.

Financial reporting:

A comprehensive system of budgets and forecasts is in place, with quarterly monitoring and reporting of actual results against targets to the Board.

Control procedures and monitoring systems:

Authority levels, procedures and other systems of internal financial control are documented and applied and subject to review by the Audit Committee, which consists of Board members and other members who are suitably qualified. The Audit Committee meets twice each year with the external auditors to discuss the audit plan and the results of their audit work. The auditor can meet the Audit Committee in private session as part of this process.

Investment:

Investment management is delegated to professional investment management firms CCLA and BNY Mellon Fund Managers Limited, supported by an independent advisor Portfolio Manager Consultancy Ltd. The Investment Committee's role, chaired by an Enginuity Board member and supported by members who are suitably qualified, is to review the performance of the investment managers and make recommendations to the Board on investment policy and strategy.

Remuneration:

Chair and senior executive remuneration is governed by the Remuneration, Pensions and Nominations Committee which is chaired by an Enginuity Board member and has members who are suitably qualified.

Appointment of Board members:

The appointment of Board members, for a maximum of three terms of three years, is made by members on the recommendation of the Remuneration, Pensions and Nomination Committee. New Board members undergo an induction to brief them on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, Enginuity's strategy and recent financial performance and the committees and decision-making process. Board members are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

4. PUBLIC BENEFIT DISCLOSURES

Enginuity provides public benefit by:

Inspiring individuals with latent talent who may not have considered engineering and helping individuals already interested in a career in engineering to understand their potential and the opportunities available.

Working with agencies from all UK countries to ensure that the framework of apprenticeship qualifications remains relevant and addresses skills requirements across manufacturing and engineering.

Advising government departments and external organisations on future skills demand within the sector via robust consultation processes.

Supporting sector employers through the development of solutions based on ground-breaking research and in-depth understanding of the skills challenges they face.

In agreeing this statement of public benefit, the Board confirms that it has paid due regard to the Charity Commission guidance. The charity's activities and achievements are set out below.

5. OBJECTIVES AND ACTIVITIES

The objects for which the company is established are for the public benefit:

To promote and advance educations, training and skills in science, technology, engineering, and manufacturing, and in particular to advance skills in such areas as are or may be in future required by the engineering profession, for the development of: (i) persons employed or intending to be employed in Industry and/or commerce, and (ii) the public generally.

Our trading subsidiary, EAL, was further established to promote and advance the education, training and skills development of persons employed or intending to be employed in Industry and commerce, and, subject to the foregoing object, to extend such training to members of the public generally.

Also, in furtherance of the above objects:

- To develop and set standards for education and training, to validate, test and monitor the standards and to issues certificates.
- To provide facilities for education and training.
- To provide training courses, instruction, and demonstrations of all sorts.

1. Partnerships, policies, and strategic engagement (£203k)

Consultations

During the last year, Enginuity has engaged with 13 consultations led by governments, parliamentary committees, government departments and arms-length bodies in England, Scotland, and Wales. The four key consultations were:

Transport Labour Market and Skills

Enginuity made a series of recommendations to the Department for Transport's investigation into the transport workforce conducted in the period to May 2022. Enginuity highlighted the importance of emerging skills including electrification, hydrogen, digitalisation and meta skills and the emerging skills gaps in electrical energy storage, electric machines, power electronics, fuel cells and lightweight vehicle and powertrain structures. Enginuity made recommendations on how to improve the accessibility of training and qualifications, how to attract young people and career changers into the sector, and how to increase diversity within the workforce.

People and Skills in Science, Technology, Engineering and Maths

In 2022, Enginuity responded to the House of Lords Science and Technology Committee's inquiry into 'People and Skills in Science, Technology, Engineering and Maths' in the UK. The inquiry was launched to assess whether the UK has a sufficiently skilled workforce to become a 'science and technology superpower' as part of the development of a National Science Strategy. Dame Judith Hackett DBE appeared as an expert witness at the committee in October 2022 and submitted additional written evidence in relation to the STEM skills gap, the role of cultural influences in boosting the uptake of STEM careers, methods to encourage highly skilled

**TRUSTEES'/DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2023**

individuals to teach STEM subjects, and the importance of STEM careers information in schools. In addition, evidence was provided on the need to increase engineering and manufacturing apprenticeships, how to address low levels of participation in apprenticeships by under-represented groups, and the need to reform the Apprenticeship Levy.

New GCSEs for Wales

Qualifications Wales is working to create new 'Made-for-Wales' GCSEs to support the curriculum for young people aged 14-16. In December 2022, Enginuity responded to a consultation on a proposed new GCSE in engineering, providing views on its suitability for the needs of the sector in Wales. Enginuity was instrumental in collecting the views of partners and stakeholders all of whom were strongly supportive of the addition of this subject to the GCSE portfolio in the belief that it will provide the cohort with the foundation skills and understanding to progress their educational and career ambitions, and also increase the prestige of the subject. Enginuity recommended that Qualifications Wales also considered ways to support the pipeline from ages 3-11 and addressed barriers to participation by under-represented groups. It was also recommended that Qualifications Wales reconsiders its plan to delay the introduction of GCSE Engineering beyond September 2025.

Fit for the Future: Growing and sustaining engineering and technology apprenticeships

In January 2023, Lord Knight, and Lord Willetts, alongside Engineering UK, launched an inquiry into the decline in engineering, manufacturing, and technology-based apprenticeships in the UK. Enginuity's response to the enquiry included recommendations that the sector engages with a seven-point agenda to energise apprenticeships included incentivising parity of esteem with academic qualifications, transforming the Apprenticeship Levy to support flexible training, reviewing apprenticeship salaries, and supporting employers to help apprentices with their English and maths skills.

The nine remaining consultations were:

- Office for National Statistics: Defining and measuring green jobs (November 2022)
- HMRC: Improving data collection from its customers (November 2022)
- Department for Business, Energy, and Industrial Strategy: Net Zero review (November 2022)
- Institute for Apprenticeships and Technical Education: The Big Conversation (December 2022)
- James Withers' Skills Delivery Independent Review (December 2022)
- Office for National Statistics: change to draft SOC Extension Framework (December 2022)
- Scottish Government: Independent Review of Qualifications and Assessment (January 2023)
- Professor Hayward's Independent Review of Qualifications and Assessment (January 2023)
- Institute for Apprenticeships and Technical Education: Proposed changes to the mandatory qualifications criteria (February 2023)

Partnerships and strategic engagement**National Manufacturing Skills Taskforce**

As a leader of the National Manufacturing Skills Taskforce, Enginuity has been instrumental in influencing policy as part of a broad group of organisations operating in sectors from food and drink to pharmaceuticals and life sciences.

UK Shipbuilding Skills Taskforce (UKSST)

Launched in July 2022, the UKSST was set up by the Department for Education and the National Shipbuilding Office. It is designed to identify the skills needed by the sector and to provide solutions to skills shortages, particularly those relating to new and emerging technologies. Enginuity was successful in a competitive process and appointed as one of 18 organisations now working on this project to develop a future-focused skills strategy for shipbuilding across the four nations of the UK. During National

Apprenticeships Week in February 2023, as part of a visit to Camel Laird, Enginuity and other Taskforce members presented their views to Ben Wallace MP, Secretary of State for Defence, and Secretary of State for Education, Gillian Keegan MP as part of the discovery phase, and Sarah Dhanda, Head of Policy & Partnerships for Enginuity presented an update from the People and Enablers workstream on which she leads. The project is set to conclude in December 2023.

Engineering and Manufacturing T Level partnership

Enginuity participates in the Engineering and Manufacturing T Levels group in tandem with the Royal Academy of Engineering, Make UK, the Gatsby Foundation, and the Department for Education. Objectives include supporting the delivery and implementation of T Levels amongst practitioners, employers, and students through the provision of bespoke resources, professional development opportunities, networking opportunities and support for industry placements.

Automotive Council UK Skills Working Group

Working alongside government and sector employers, Enginuity led the establishment of a significant project to enable adults to upskill within the automotive sector as the industry experiences a major transition to zero-emission technologies. The sector believes that over 80 per cent of job roles that involve powertrain competencies today will require significant reskilling or upskilling within the next decade. This is a major challenge as the manufacture of EVs will require specialist skills in battery technology, power electronics, electric machines, and electrified systems. However, the current training identification and delivery systems do not readily enable the take-up of appropriate upskilling and reskilling training, especially for smaller businesses and individuals.

The Automotive Upskilling Pilot Project, supported by the Department for Business and Trade and regional sector partners, will bring together stakeholders across the sector to build on the work of the National Electrification Skills Framework and Forum (NESFF) and the DfE Emerging Skills Programme to develop an intelligent, online platform to provide insight into skills opportunities and link employers' needs to appropriate training provision. It is expected that the platform will provide information, advice and resources for upskilling and reskilling the existing workforce across the UK automotive sector.

Aerospace Growth Partnership Skills Working Group

Set up to focus on delivering the high-level skills required by the UK aerospace sector and meet current and future growth opportunities, Enginuity contributed to multiple sector-based skills working groups and a round table discussion at the Farnborough International Airshow in 2022. It hosted activities for young people as part of 'Farnborough Friday' enabling young people to engage with the Skills Miner aerospace game.

Apprenticeships in Manufacturing (AiM)

In February 2022, Enginuity became one of the nine founding members of the AiM group partnership between industry and government to grow the number of high-quality apprenticeships in the manufacturing sector. A pilot process for placing apprenticeship applicants across the supply chain is currently under development with UCAS and Maritime Solent and the Solent Apprenticeship and Skills Hub.

Teesside University partnership

Enginuity secured postgraduate research funding from Innovate UK to help SMEs understand their existing skills and capabilities, and those they will need in the future, with the aim of implementing support strategies to help them fulfil their requirements.

Enginuity will fund two scholarships to support students from underrepresented backgrounds to study postgraduate degrees in artificial intelligence (AI) and data science at Teesside University. In agreeing to fund two scholarships, the Office for AI will fund a further six. It is Enginuity's wish that the eight individuals will be partnered with local engineering SMEs so that benefit can be given to SMEs in addition to the individuals. The university is one of 30 UK institutions chosen by the Office for Students (OfS) to receive a share of £8.1M funding from the Department for Science, Innovation and Technology (DSIT) and Office for Artificial Intelligence (OAI) to provide the scholarships aimed at increasing diversity in AI and data science.

2. Digital skills solutions (Income £30k, Expenditure £905k)

During the last year, significant progress has been made in refining Enginuity's portfolio of digital and data products. The digital skills solutions that the team has created are based on engineering sector data combined with Enginuity's deep understanding of the skills challenges affecting the sector and designed to deliver multiple interventions throughout the UK engineering and manufacturing skills pipeline.

Helping engineers to see career opportunities and employers to upskill

Designed to support engineering employers, our products, underpinned by the Skills Framework, highlight the diverse range of skills that are applicable across the engineering industry. Our objective is to equip employers to meet future skills demands and to highlight to individuals and employers the transferable skills within roles that are valid across other sectors. Increasing the transferability of the current workforce will help to create a more adaptable and resilient industry. This objective is delivered through a series of digital skills products underpinned by our bespoke and powerful Skills Framework.

Skills Framework

The Enginuity Skills Framework provides key information on a wide range of occupations, job roles, work activities, and skills found in the engineering and manufacturing sectors. Designed as a common skills language for the sector, the framework explores the connections between careers, skills, and employer-led demand, and can be used to provide the sector with:

- a better understanding of labour market trends.
- a means to enable planning for future changes to labour markets.
- improved careers information services for individuals.

Role Explorer

Designed for both employers and individuals researching engineering and manufacturing roles in detail, the Enginuity Role Explorer is a comprehensive data-driven collection of careers, job roles, work activities, and transferable skills. Unlike traditional career resources, our product is powered by the extensive Enginuity Skills Framework and utilises demand from employers and data from live job postings to give users a clear and interactive way to navigate the ever-changing skills landscape. The Role Explorer will be a go-to resource for employers and individuals looking to understand the engineering and manufacturing field.

The Role Explorer use cases include:

- **Career exploration:** students and young adults can use the library to explore various engineering and manufacturing careers, learn about the different job roles, and understand the skills required for each.
- **Transferable skills:** the careers library allows employers to identify and understand other engineering roles with similar skills and is an important tool to facilitate upskilling and reskilling.
- **Industry research:** researchers and analysts can study labour market trends, demand for skills and emerging sectors within engineering and manufacturing.
- **Educational guidance:** educators and career advisors can use the library as a resource to guide students towards suitable engineering and manufacturing careers based on their interests and aptitude.
- **Career switch:** professionals considering a change of career can utilise the library to research new engineering and manufacturing roles, understand the required skills and identify transferable skills from their current occupation.
- **Support for jobseekers:** Jobcentre Plus can use the library to help unemployed individuals identify suitable engineering and manufacturing roles, develop their skills, and prepare for interviews.

Career Converter

The Career Converter tool is a versatile web application which helps employers and individuals to identify and understand transferable skills which are often hidden.

Individuals can:

- discover relevant role matches.
- compare roles and identified skills gaps.
- access guidance on learning opportunities.

Employers can:

- identify transferable skills and recruit from other sectors and roles not previously considered a match.
- compare roles and identified skills gaps.
- enhance and support business growth.

Career agencies can:

- deliver personalised recommendations.
- identify career paths and training opportunities.
- enhance customer satisfaction and business growth.

Career Converter in action

The Cell and Gene Therapy Catapult is an independent innovation and technology organisation committed to the advancement of cell and gene therapies with a vision of a thriving industry delivering life changing advanced therapies to the world. Dependant on a robust talent pipeline to fill a predicted 10,000 job vacancies by 2026, there is an urgent need to prioritise skills provision to continue the substantial growth of the UK's advanced therapies sector. The Catapult approached Enginuity to help promote employment opportunities in the industry showcasing how transferable skills could enable individuals to switch from different sectors and roles.

Enginuity introduced CGT Catapult to its interactive Career Converter tool which enables individuals to identify comparable occupations and transferable skills across multiple industry sectors. Career Converter is embedded within the CGT Catapult's Advanced Therapy Skills Training Network website and has attracted 1,200 page views over the last 12 months. The Catapult has plans to further promote engagement with the Career Converter tool through a partnership with the Ministry of Defence's Career Transition Partnership which is accessed by around 12,000 ex-military personnel each year.

Enspire Suite of Products: inspiring and engaging young people about engineering and engineering careers**Skills Miner (£94k)**

Built on the popular gaming platform Minecraft, a range of Skills Miner interactive games have been professionally curated and built to reflect specific industry challenges, introducing school pupils to ideas for STEM careers. In November 2022, Enginuity added vertical farming to its portfolio that already included aerospace and home energy games. Launched during Digital Manufacturing Week, the vertical farming game attracted widespread social and regional media coverage with a reach of 405,000 individuals and an equivalent advertising cost of over £13k.

Overall, more than 230 downloads of Skills Miner by teachers were recorded during 2022-23, and over 1,000 active players have engaged with the game. As well as being enjoyable to play, the games are designed to incorporate elements of the national curriculum and have been endorsed by the Skills Builder Partnership as contributing to the achievement of eight essential life skills mapped to Gatsby Benchmarks.

The Skills Miner platform has enjoyed significant engagement over the last year including:

- At RAF Cosford Museum in June 2022 and at three school events reaching 185 school pupils aged 9-14 and their teachers.
- At the Farnborough Airshow in July 2022 reaching around 200 pupils as part of Farnborough Friday in partnership with GKN.
- At Techniquist in Cardiff in June 2022 where Skills Miner training was delivered to teachers and STEM ambassadors
- During Digital Manufacturing Week in November 2022 which saw 115 pupils take part in Skills Miner activities.

**TRUSTEES'/DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2023**

Enginuity commissioned a research study by ChildWise which conducted a survey of 1,179 school pupils aged 11-14 and 206 teachers. The Skills Miner experience delivered an approval rating of almost 4 out of 5 by pupils and teachers as an outcome of this research. The majority of teachers welcomed the Skills Miner concept with two thirds agreeing that its implementation in a school environment would be 'very useful'. Feedback was highly positive with pupils valuing an approach that includes detailed job descriptions alongside interactivity and game-based learning. Teachers welcomed real life career examples and case studies. The ChildWise research outcomes provided positive confirmation of Enginuity's proposed strategy to introduce gamification of the national curriculum.

During 2022-23, a new interactive city map was developed in which pupils are able to navigate a range of industry zones and access relevant job information, pathways, and case studies as well as links to the existing minigames. Qualitative research was conducted with 16 pupils aged 11-14 and six STEM teachers in January – February 2023 to explore this 'Enspire City' concept. Feedback on the concept of an interactive city was overwhelmingly positive with every student welcoming the opportunity to explore engineering careers in this way. To date, around 2,000 young people have engaged with the interactive map and it will be available to all schools from Autumn 2023.

3. Certification (Income £201k, costs £126k)

Enginuity is a member of the Federation of Industry Sector Skills and Standards (FISSS) and is approved to process apprenticeship registrations and certifications in the Apprenticeship Certification England (ACE), Apprenticeship Certification Wales (ACW) and Modern Apprenticeship Certification Scotland (MA Online) systems on behalf of the engineering and manufacturing sector.

Certificates authorised	2022-23
England (ACE)	4,000
Wales (ACW)	1,260
Scotland (MA Online)	1,434
Total:	6,694

Enginuity plays an important role in validating learners' qualifications and evidence against the requirements of the various apprenticeships in engineering and manufacturing across the four nations. Only when Enginuity is satisfied that the requirements have been met will a certificate be issued. During 2022-23, Enginuity was responsible for producing around 7,000 certificates attracting a net income of approximately £200,000.

4. Frameworks (Income £126k, Costs £57k)**National Occupational Standards (NOS)**

Enginuity is responsible for maintaining and updating a range of around 200 National Occupational Standards, used in Wales, Scotland, and Northern Ireland as a basis for their qualifications' suite, adding new NOS in response to industry demand. During the last year, Enginuity has developed new standards for the advanced manufacturing sector.

Skills Development Scotland (SDS)**Scotland Skills Delivery Independent Review**

Enginuity worked with Skills Development Scotland as part of a broad technical consultation to review the system for skills delivery including a new methodology for the development of apprenticeships, a new framework for engineering apprenticeships, and routes for adult upskilling and reskilling in response to regional planning priorities.

Enginuity's response highlighted the importance of understanding and responding to labour and skills demand, and of attracting young people into STEM careers. Enginuity also highlighted the importance of parity of esteem for apprenticeships, and the need to support progression from modern to graduate apprenticeships.

As part of the review, Enginuity emphasised the importance of sufficient funding to deliver the principles of the National Occupational Standards strategy through an effective three-year rolling plan of rationalisation and updating. Enginuity highlighted the need to further develop modular qualifications and career transitioning tools to support the upskilling and reskilling of existing experience employees to meet changing skills requirements.

Scottish Engineering Apprenticeships

Enginuity worked closely with Skills Development Scotland using the new prescribed model for developing apprenticeships in Scotland to develop a new Engineering apprenticeship standard putting employers at the very heart of its development, creating new routes and pathways for vocational competence learning for those entering or requiring upskilling in the sector. Enginuity also made a valuable contribution to the evolving model of apprenticeship development in Scotland to ensure that the apprenticeship system remains agile in meeting future industry skills needs.

Qualifications Wales

Working with Qualifications Wales, Enginuity reviewed engineering and manufacturing apprenticeships for Wales, and updated existing frameworks to ensure qualifications are fit for purpose through a steering group that included representation from employers and further education colleges.

6. ACHIEVEMENTS & PERFORMANCE

EAL has achieved an exceptional level of performance in the last year, exceeding expectations, and meeting all of its financial targets. With the customer at the heart of its ethos, EAL has made significant progress on its transformation journey and has laid solid foundations on which to build a consistent high quality of service for the future.

Against a challenging backdrop, particularly affecting apprenticeships, EAL continues to grow its capacity and capability to support the industries we serve by growing and upskilling its own workforce by an additional 28%. Its investment in technology has already seen an improving customer journey and enabled EAL to streamline its processes across a range of customer facing activities. The last year has seen a strong evolution in products and services coupled with significant improvements in service delivery, validated by positive customer feedback.

Customer experience highlights

During 2022-23, EAL has registered over 77,500 students and issued certificates to around 67,200 in recognition of their achievements. It has seen significant growth in End Point Assessment volumes, almost doubling those of the previous year, and was proud to quality-assure its 5,000th EPA. In total, EAL has delivered more than 2,500 EPAs with a 98.2 per cent first-time pass rate and an overall pass rate of 98.7 per cent. At 83.3 per cent, EAL's customer satisfaction index (CSI), is above benchmark, with over 50 per cent of clients rating EAL as world-class on Net Promoter Score outcomes.

During the last year, EAL launched eight new qualifications, three new EPA standards and 16 new EAL-approved courses and has continued to review and maintain its existing portfolio of products alongside a brand refresh. EAL now successfully works with 701 centres offering 280 qualifications including more regulated engineering qualifications than any other awarding organisation.

Transformation and digital developments

EAL has continued its transformation journey putting the customer at the heart of its business through its strategic pillars of People, Technology and Processes. It is working to digitise or automate processes wherever possible and is making significant progress on future state mapping across all business areas. Initiatives during the last year saved over 6,300 working hours, liberating resource to focus elsewhere.

EAL has made significant progress with its data analytics and insights transformation programme starting with work to develop its strategy for Centre Assessments Standard Scrutiny reporting. This enables the organisation to improve quality and compliance, meet regulatory requirements and provide up-to-date management information for business planning.

March 2023 saw the successful launch of EAL Connect, a single sign-on portal designed to streamline the process for awarding certification. The platform is helping to improve customer self-service capability offering a one stop shop for all centre support requirements from registering and certifying students, and scheduling examinations, to administering End Point Assessment.

The launch saw more than 8,000 interactions within its first month of operation. A new Intercom live chat feature provides customer support for self-service enhancing query resolution rates with live chat usage seeing an increase of 120 per cent on the previous year. EAL will launch its E-certify digital-first certification process as part of a drive to a more sustainable future.

Quality assurance, compliance, and governance

EAL has made a full review of all its policies and processes that support quality assurance, compliance, and governance. It has worked with Ofqual on the implementation of a Centre Assessment Scrutiny Strategy (CASS), introducing a new assurance framework as part of a culture of transparency and ownership. EAL is proud to have retained a low-risk rating as part of an SQA regulatory audit.

Brand and engagement

The organisation continues to raise its profile through far-reaching engagement with stakeholders that includes support for ten trailblazer groups working to develop and improve existing occupational standards and qualifications. Its support for the Battery Manufacturing Trailblazer Group as it works to develop an occupational standard for this critical aspect of UK infrastructure, is unique amongst awarding organisations.

EAL is strengthening its brand voice and raising its profile by providing sponsorship support to partner organisations including the Engineering Trust and In-Comm and is enabling Truro & Penwith College to celebrate the achievement of its apprentices. EAL is proud to continue its long-standing support as one of the lead sponsors of the Enginuity Skills Awards.

EAL continues to focus to position itself as the specialist awarding organisation of first choice for the engineering and manufacturing sector and continues to work with industry, educators, partners, and policy makers, using data insight, intelligence and horizon scanning through its networks to help inform its understanding of the direction of change within the sector, enabling the development of the optimum products and services to drive a sustainable future.

Products and services

Over the last year, EAL has reviewed and approved under the 'EAL Approved' range 16 new courses with customers such as HETA and the Faraday Centre. Eight new qualifications were successfully brought to market, including for machining, gas engineering, fire and security, wind turbine, lift and escalator, and digital engineering. Three new apprenticeship End Point Assessment standards, including the first to be approved for the new machining technician standard, have been added to an expanding offer bringing the total to 31.

EAL worked alongside City & Guilds to develop and support the implementation of T levels in building services, engineering and manufacturing, including contributing to webinars and supporting events such as the Advanced Engineering Show through our engagement activities.

EAL continues to work across the four nations to ensure that its products and services remain relevant and fit for purpose. The last year saw the rollout of new Level 3 apprenticeship qualifications in Wales, and support for centres continues through the initial delivery stage.

Future plans

EAL has secured approval from the Board for its ten-year vision, which encompasses ambitious customer, product development, and green and sustainable growth strategies designed to elevate and expand the EAL business and support Enginuity in the achievement of its charitable objects. EAL aims to elevate its position and expand market share on its journey as a progressive awarding and End Point Assessment organisation working to address the skills needs for a sustainable future world.

EAL continues to play a crucial role in the design, development, and implementation of technical qualifications across the nations including supporting T levels in England and new technical qualifications in Wales.

The EAL Advisory Group representing key stakeholders across all nations for the UK will provide additional insight and intelligence to ensure that EAL continues to stay at the forefront of awarding and End Point Assessment services which will further enhance its product and service development and prioritisation of initiatives based on stakeholder input.

EAL continues to address the sustainability agenda, helping the UK to chart its course to Net Zero through the development of its existing portfolio of learning solutions with the skills and knowledge needed for the current and future world of work. It is focused on responding to emerging technology with new products and services that enable the upskilling and reskilling of individuals and the transformation of job families rooted in sustainability.

The year ahead will see the launch of the EAL Academy, which is designed to upskill and reskill colleagues through workforce development planning and by identifying skills gaps and priorities for training and development with a focus on sustainability.

EAL will accelerate its transformation journey with a £2M investment in People, Technology and Processes and the further development of its brand, as well as additional investment in employer and stakeholder engagement. Work has already begun to redesign and relaunch the EAL website to better reflect strategic aspirations and drive brand awareness for the benefit of its clients and the wider sector.

Our people achievements

Health and wellbeing

During 2022-23, Enginuity maintained its focus on supporting the health and wellbeing of all our employees. We are working hard to embed wellbeing as part of our culture and include mental health awareness training for all colleagues during induction. We have introduced a new 'Wellbeing Index' measurement which enables us to review trends and take targeted action in response. Wellbeing appears as a standing item as part of the Employee Voice Forum and all managers take part in Managing Mental Health training. We support a range of additional activities including:

- Informal meetings with Mental Health First Aiders.
- Lunch and learn events on topics such as menopause and neurodiversity.
- Awareness sessions to highlight the benefits of our Employee Assistance Programme.

In addition, employees benefit from access to wellbeing resources from the This Can Happen Friends programme. Last year, we particularly focused on financial wellbeing working with HSBC to deliver financial awareness webinars.

Diversity and inclusion

We strive to provide an inclusive working environment where everyone feels welcome, recognising that those who feel supported at work are more likely to perform well and provide the best levels of service to colleagues and customers. In our 2022 survey, 88 per cent of employees agreed that they feel comfortable with being themselves at work.

We understand the benefits of a diverse and inclusive workforce and are striving to develop a culture where these values are embedded in the day-to-day experience of all colleagues. In April 2022 we were awarded the Bronze standard by Clear Assured, a globally recognised accreditation that supports organisations to embed equality, diversity, and inclusion within their workplaces. We are now working towards Silver accreditation.

We are a Menopause Friendly organisation and have introduced programmes of awareness, opportunities for training, guidance, and support for individuals across the Enginuity group. We are proud to be a Disability Confident Committed Employer and are progressing towards the next level. We are working to ensure that our recruitment process supports accessibility, and that we are able to make reasonable adjustments to support new and existing employees with disabilities. We engaged a neurodiversity specialist during the last year to identify areas for improvement.

In 2022, we partnered with the Association for Black and Minority Ethnic Engineers (AFBE) which is supporting us with our diversity strategy. We are signatories of the Tech Talent Charter which aims to drive diversity and inclusion within technology occupations.

Employee engagement and communications

As a remote-first business, Enginuity works hard to maintain clear channels of communication with colleagues, listening to feedback as we continue our journey to make Enginuity a great place to work. In 2022, we

**TRUSTEES'/DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2023**

introduced our new employee voice platform, Hive, which enables us to conduct engagement surveys on a range of topics from leadership and development to wellbeing and reward.

Every team works on actions to address survey outcomes, shaping improvements and celebrating success. Between the initial full survey in the summer of 2022, and the pulse survey in December 2022, our employee engagement score increased from 7 to 7.4 and we registered an 11-point improvement in our employee Net Promoter Score.

Our Employee Voice Forum provides feedback, suggestions and ideas to the executive leadership team and we maintain a number of communications channels to keep everyone up to date with business activities. Actions include a refreshed intranet site and a new format for business updates.

Learning and development

A key aspect of our culture, we encourage everyone to own their personal and professional development and review this at least quarterly with their line manager. In 2022-23, employees completed 1,700 hours of training and development activities ranging from e-learning, face to face training courses, work shadowing, and individual support.

We have seen an increase (to 15 per cent) in the number of colleagues taking advantage of our volunteering scheme which provides paid leave to engage in community activities. Colleagues report that their volunteering experiences support the development of transferable skills.

Pay and reward

Several changes have been made to our system of benefits as a result of a review of pay and reward in 2022-23. These include increased annual leave, and a holiday purchase scheme. Remco and the Board have approved the first phase of a pay and reward strategy for implementation during 2023-24.

Looking ahead

Enginuity plans to launch a comprehensive leadership and management development programme, 'Lead to Succeed', with the aim of enhancing the leadership skills of all managers to drive higher levels of engagement and performance. We will implement a new HR system to improve efficiencies, enhance user experience and enable better reporting to support data-driven decision-making.

We plan to continue workforce and succession planning, supporting the development of the EAL Academy and focusing on colleague development. We will deliver against the recommendations from the review of internal communications to ensure that colleagues feel engaged and inspired and are able to carry out their roles effectively.

7. FINANCIAL REVIEW

The Consolidated Statement of Financial Activities for the year ended 31 March 2023 shows a net increase in funds of £1,064k (2021/22 increase of £3,502k).

The key drivers of the financial result were:

- Better than anticipated financial performance by EAL, with growth in EPA services.
- Less spent on charitable activities than in previous years.

Investments saw an unrealised loss of £1,264k for the year ending 31st March 2023 (2022 gain of £1,985k).

The Charity's funding is derived from the subsidiaries' profits, and from delivering projects which address the productivity and skills development needs of employers and employees within the engineering sector.

The two trading subsidiaries produced a net surplus of £4,199k (21/22 net surplus of £2,949k).

The results of the trading subsidiaries are detailed in Note 3(b).

8. INVESTMENTS

The Board's policy, reviewed annually, requires its investments to be managed actively in line with an agreed approach which ensures that appropriate levels of targeted risk is adopted and return is achieved.

The long-term investment return expectations from the portfolio are set as a total return of inflation plus 3.5% per annum, after expenses.

The performance of the portfolio is reviewed quarterly by the Investment Committee in conjunction with the Investment Managers. Market performance is monitored by Portfolio Manager Consultancy Limited who report to the Committee every quarter.

The Investment Fund generated an investment income of £862k (2022 £792k). The overall value of the Investment Fund decreased by £1,264k (2022 gain of £1,985k). The investment in EAL £50k previously impaired has been restated for this current year.

9. KEY RISKS AND UNCERTAINTIES DISCLOSURES

The dynamic status of skills infrastructure systems and processes always holds the potential to impact on the activities of Enginuity and EAL. The last financial year has seen ongoing change and uncertainty presenting challenges to both organisations and we have responded with agility. The main risks to the business exist are driven by the political and economic landscape leading to market volatility, impacts to EAL product and service offering and overall impact on the sector. Recruitment challenges continue for some key posts.

The development and market launch of practical solutions underpinned by sophisticated data engineering and technology platforms represents a completely new approach for both Enginuity and the sector. Although testing amongst beneficiaries has yielded positive feedback, the risk remains that the new products and services may not deliver the anticipated level of public benefit.

Continuing uncertainty within the global political and economic arena have the ability to impact on Enginuity especially if this leads to negative growth within the engineering and manufacturing sector or reduces the performance of the investment fund on which we depend to finance our activities. Mitigating actions are in place against all strategic risks to help ensure that the group remains financially stable and maintains its agility in responding to external conditions.

10. PLANS FOR FUTURE PERIODS

As part of our ambition to secure a sustainable future for Enginuity, the year ahead will see us consolidate our position as an authoritative voice within the engineering and manufacturing sector. We will continue to contribute at the highest level to influence the debate and promote action to boost skills development with the sector.

Our expert team will work to ensure that employers and individuals continue to benefit from the digital skills solutions underpinned by our unique and robust Skills Framework platform. We will create opportunities for young people to explore and discover potential STEM-based careers through our suite of interactive tools and online games which will launch in summer 2023.

New for 2023, Enginuity has developed a suite of products designed to help the engineering and manufacturing sector to make long term planning decisions via horizon scanning to automate the amplification of weak signals on emerging issues, and megatrend analysis to enable the exploration of largescale developments in their likely impact.

We expect to deliver ground-breaking insights to industry exposing the challenges and opportunities within the sector making recommendations and enabling collaboration between stakeholders to effectively connect organisations within engineering and manufacturing. A 'Future of Manufacturing' commentary will be developed based on megatrend analysis, and a sentiment tracker will gather data to boost understanding of attitudes and perceptions of specific industry themes.

Enginuity Skills Awards

The Enginuity Skills Awards is an annual celebration of the people and organisations whose commitment to engineering and manufacturing skills is safeguarding the future of our industries. Following its launch last year, the number of entries received has been 62 per cent higher than in the previous year. The 2023 ceremony is due to take place at a new venue, the Park Plaza London Riverbank on 29 June 2023. Enginuity has worked proactively, with award sponsors and other partners, to ensure that the process is as inclusive, accessible, and diverse as possible. The eleven awards due to be presented include three new categories for 2023 Today's Engineering Visionary, Apprentice Employer of the Year, and Platinum Industrial Cadet.

Opportunities for the future

Having launched an Opportunity Fund to help mitigate the negative impact of the cost-of-living crisis on engineering and manufacturing apprentices, we will work to provide help and support with their learning over the next fiscal year.

We will continue to derive benefit from our Knowledge Transfer Partnership with Teesside University, supported by Innovate UK, which will provide us with postgraduate resource to devise a strategy enabling small and medium-sized businesses (SMEs) to understand their skills base and conduct succession planning to fulfil future demand.

Enginuity provided funding for 12 apprentices from the Science and Technology Facilities Council to make a two-day visit to the European Council for Nuclear Research (CERN) in Switzerland in April 2023. We will seek to evaluate this pilot and present plans to the board to increase the impact we can make via bursaries and direct funding.

Website and brand relaunch

During 2023-24, Enginuity will complete its work to redevelop and relaunch its brand and website, providing an improved platform to showcase its interventions and the benefits that can be derived from engaging with our resources. The website has been designed and built to be maintained in-house and kept up to date with the latest available content.

11. PENSIONS LIABILITIES

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in the statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the statement of financial position. The assets of the plan are held separately from the company in independently administered funds.

Enginuity is a participating employer to a defined benefit scheme administered by ITB Pension Funds. A defined benefit scheme is a pension plan under which the company pays fixed pension to its employees. As a member of the multi-employer scheme where the assets and liabilities are not identifiable, Enginuity has accounted for the scheme as a defined contribution scheme to comply with the provisions of FRS 102. Pension contributions are charged to the consolidated Statement of Financial Activities so as to spread the regular cost of the pensions and related benefits over the employees' working lives.

The total cost to the company under both schemes for the year was £259,715 (2022: £233,478).

TRUSTEES'/DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2023

12. **RESERVES**

The Board reviews its Reserves Policy on an annual basis. The key principle is that we maintain our ability to quickly recover from financial shocks and stress. During the year there was a significant change in the Section 75 pension debt calculation, leading to a thorough review of our Reserves Policy.

Taking a largely expenditure cover-based approach, our reserves policy is to hold £25m, as set out in the table below.

Reserve	£
Pension S75 debt provision	3,200,000
Deferred Income	4,667,162
Cover for 12 months expenditure	16,849,000
Close down costs	795,000
Total Reserves Policy	25,511,162

This leaves a surplus over Reserves Policy of £9.1M. The Board intends to use this surplus over the next five to ten years, investing in a programme of charitable activities, starting with our programme for next year as set out in the 'Plans for Future Periods' section of this report.

13. **GOING CONCERN**

The Trustees consider that there are no material uncertainties about Enginuity's ability to continue as a going concern. With regard to future years, the most significant area of uncertainty is around government funding of qualifications. This is covered in more detail in the 'Key risks and uncertainties' section of the Trustees' annual report. The level of reserves, including an excess of £9.3M over the Reserves Policy will enable the Group to carry out its current charitable activities at the planned and budgeted level for a considerable period, whilst also allowing it the time to develop alternative sources of funding, should government funding of qualifications significantly change, having a material impact on the surplus generated by EAL.

14. **KEY MANAGEMENT PERSONNEL REMUNERATION POLICY**

An annual benchmarking exercise is conducted which involves reviewing other organisations within the same/similar industries and additionally, the Charities and Public sectors. Recommendations are then made to the Remuneration and Pensions Committee where a final decision is made as to the total reward and remuneration package.

15. **STATEMENT OF TRUSTEES (BOARD MEMBERS) RESPONSIBILITIES**

The trustees (who are also directors of Enginuity for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

Company law/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 company law/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 these financial statements, the trustees are required to:

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

**TRUSTEES'/DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2023**

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 Companies Act 2006/Charities Act 2011. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

STATEMENT OF DISCLOSURE TO OUR AUDITORS

In so far as the trustees are aware at the time of approving our trustees' annual report:

- There is no relevant information, being information needed by the auditor in connection with preparing their report, of which the group's auditor is unaware, and
- The trustees, having made enquiries of fellow directors and the group's auditor that they ought to have individually taken, have each taken steps that he/she is obliged to take as a director to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

AUDITORS

In accordance with the Companies Act 2006, a resolution will be proposed at the General Meeting that Crowe U.K. LLP will be reappointed as auditor to the charitable company for the ensuing year.

This report, which incorporates the Strategic Report, was approved by the Board on 28 September 2023 and signed on its behalf by:



J Hackitt

Chair
Enginuity
Unit 2, The Orient Centre
Greycaine Road
Watford
WD24 7GP

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ENGINUITY
FOR THE YEAR ENDED 31 MARCH 2023**

Opinion

We have audited the financial statements of Enginuity (the "charitable company") and its subsidiaries (the "group") for the year ended 31st March 2023 which comprise Consolidated Statement of Financial Activities, Consolidated Balance Sheet, Charity Balance Sheet, Consolidated Cash Flow Statement 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 Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the groups and the charitable company's affairs as at 31st March 2023 and of the group's incoming resources and application of resources, including its income and expenditure 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 Companies Act 2006

Basis for opinion

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

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

Other information

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion based on the work undertaken in the course of our audit

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ENGINUIITY (continued)
FOR THE YEAR ENDED 31 MARCH 2023**

- the information given in the trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- the parent company has not kept adequate or proper accounting records or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on pages 18-19, the trustees (who are also the directors of the charitable company for the purposes of company law) 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 charitable company'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 charitable company 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.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ENGINUIITY (continued)
FOR THE YEAR ENDED 31 MARCH 2023**

We obtained an understanding of the legal and regulatory frameworks within which the charitable company and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006 together with the Charities SORP (FRS102) 2019. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company and the group for fraud. The laws and regulations we considered in this context were the Companies Act 2006 and relevant Taxation legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be necessary to the charitable company's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company for fraud. The laws and regulations we considered in this context were Ofqual.

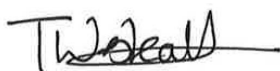
Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of income, as well as override of controls by management. Our audit procedures to respond to these risks included enquiries of management, and the Audit Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, testing a sample of revenue across the year to agree to supporting documentation and testing cut-off to ensure that it has been recognized in the correct period, reviewing the systems and controls in place surrounding income, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Tara Westcott
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor
4th Floor
St James House
St James Square
Cheltenham, GL50 3PR
Date: 10 October 2023

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (incorporating Income and Expenditure)
FOR THE YEAR ENDED 31 MARCH 2023**

INCOME AND EXPENDITURE

		2023	2022
	Notes	£'000	Restated £'000
Income			
<i>Other trading activities</i>			
Income from trading subsidiaries	3b	12,104	10,260
<i>Investment income</i>	8	862	792
<i>Charitable activities</i>			
Externally funded projects	3a	30	711
Other	3a	328	264
Total income		13,324	12,027
Expenditure on			
<i>Raising funds</i>			
Expenditure of trading subsidiaries	3b	7,905	7,311
Investment managers' fees		60	56
Total cost of raising funds		7,965	7,367
Charitable activities:			
Promoting & representing the sector		118	278
Digital skills solutions		1,493	1,743
Certification		478	206
Frameworks		175	202
Partnerships, policies & strategic engagement		556	675
Skills Miner		211	169
Total charitable activities	7	3,031	3,273
Total expenditure		10,996	10,640
Net income/(expenditure) before gains on Investments		2,328	1,387
Net (losses)/gains on investments	11	(1,264)	1,985
Net movements in funds		1,064	3,372
Total funds brought forward	20	33,562	30,190
Total funds carried forward	20	34,626	33,562

All activities are continuing.

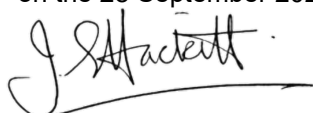
The notes on pages 28 to 44 form part of the accounts.

**CONSOLIDATED BALANCE SHEET
AT 31 MARCH 2023**

Company Number: 02324869 Charity Number: 1000328

		2023	2022
	Notes	£'000	Restated £'000
FIXED ASSETS			
Tangible assets	10	-	26
Investments	11	31,406	32,670
Investment in subsidiaries		0	0
		<u>31,406</u>	<u>32,696</u>
CURRENT ASSETS			
Stocks	13	0	32
Debtors	14	1,986	1,864
Bank and cash balances		7,114	4,901
		<u>9,100</u>	<u>6,797</u>
CURRENT LIABILITIES			
Creditors: Amounts falling due within one year	15	<u>(4,829)</u>	<u>(4,939)</u>
NET CURRENT ASSETS		<u>4,271</u>	<u>1,858</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		35,677	34,554
CREDITORS: amounts falling due after one year	16	<u>(1,051)</u>	<u>(992)</u>
NET ASSETS	21	<u>34,626</u>	<u>33,562</u>
FUNDS AND RESERVES			
Unrestricted reserves	20	<u>34,626</u>	<u>33,562</u>

The financial statements were approved and authorised for issue by the Board on the 28 September 2023 and were signed below on its behalf by:



J Hackitt
Chair

The notes on pages 28 to 44 form part of the accounts.

**CHARITY BALANCE SHEET
AT 31 MARCH 2023**

Company Number: 02324869 Charity Number: 1000328

	Notes	2023 £'000	2022 Restated £'000
FIXED ASSETS			
Tangible assets	10	0	26
Investments	11	31,406	32,670
Investment in subsidiaries	12	50	0
		<u>31,456</u>	<u>32,696</u>
CURRENT ASSETS			
Debtors	14	2,173	1,097
Bank and cash balances		1,667	552
		<u>3,840</u>	<u>1,649</u>
CURRENT LIABILITIES			
CREDITORS: amounts falling due within one year	15	(730)	(892)
NET CURRENT ASSETS		<u>3,110</u>	<u>757</u>
TOTAL ASSETS		34,566	33,453
CREDITORS: amounts falling due after one year			
	16	0	0
NET ASSETS	21	<u>34,566</u>	<u>33,453</u>
FUNDS AND RESERVES			
Unrestricted funds	20	<u>34,566</u>	<u>33,453</u>

In accordance with section 408 of the Companies Act 2006, a separate Statement of Financial Activities for the charity has not been presented. The result for the charity was a deficit £3,085k (2022: surplus £1,917k).

The financial statements were approved and authorised for issue by the Board on the 28 September 2023 and were signed below on its behalf by:



J Hackitt
Chair

The notes on pages 28 to 44 form part of the accounts.

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2023**

		2023	2022
	Notes	£'000	Restated £'000
Cash provided by / (used by) operating activities	a)	1,376	702
Cash flows from investing activities			
Investment income received		862	792
Payments to acquire investments		(18)	(36)
Cash withdrawn from investments		0	1,000
Receipts from the sale of investments		18	36
Cash provided by investing activities		<u>862</u>	<u>1,792</u>
Cash flow from financing activities			
Repayments of finance leases in the year		(30)	(81)
Interest paid on finance leases		5	5
Cash not provided by financing activities		<u>(25)</u>	<u>(76)</u>
Net increase in cash		<u>2,213</u>	<u>2,418</u>
Cash and cash equivalents at start of year		<u>4,901</u>	<u>2,483</u>
Cash and cash equivalents at end of year		<u><u>7,114</u></u>	<u><u>4,901</u></u>
Analysis of cash and cash equivalents			
Cash at bank and in hand		<u><u>7,114</u></u>	<u><u>4,901</u></u>

Refer to note b) for the analysis of changes in net debt.

The notes on pages 28 to 44 form part of the accounts.

CONSOLIDATED CASH FLOW STATEMENT (continued)
FOR THE YEAR ENDED 31 MARCH 2023

	2023	2022
	£'000	Restated £'000
a) Reconciliation of net incoming resources to net cash inflow from operating activities		
Net movement in funds	1,064	3,502
Investment income	(862)	(792)
Depreciation	26	79
(Decrease)/Increase in creditors	(25)	67
(Decrease) in debtors	(123)	(169)
Decrease in stocks	32	0
Net loss/(gain) on investments	1,264	(1,985)
Net cash provided/(used by) by operating activities	1,376	702

The notes on pages 29 to 45 form part of these accounts.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

1. GENERAL INFORMATION

Enginuity is a charitable company, limited by guarantee, incorporated in England and Wales under the Companies Act 2006. The address of the registered office is shown on the Advisors page. The nature of the charity's operations and its principal activities are outlined in the Trustees'/Directors' Report.

2. ACCOUNTING POLICIES

The principal accounting policies adopted, judgements and key sources of estimation uncertainty (see note 4) in the preparation of the financial statements are as follows:

Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP 2nd Edition (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Enginuity meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes. All of the expenditure incurred by the Enginuity is for charitable purposes.

The presentation currency and functional currency of the Charity is pounds sterling, and is rounded to the nearest thousand pounds.

Parent charitable company disclosure exemptions

In preparing the separate financial statements of the parent charitable company, advantage has been taken of the following disclosure exemptions available in FRS 102:

- No cash flow statement has been presented for the parent charitable company;
- Disclosures in respect of the parent charitable company's financial instruments have not been presented as equivalent disclosures have been provided in respect of the Group as a whole;
- No disclosure has been given for the aggregate remuneration of the key management personnel of the parent charitable company as their remuneration is included in the totals for the Group as a whole.

Going concern

The directors have assessed whether the use of the going concern basis is appropriate and have made this assessment based on a forecast for the parent company to the end of September 2024, and a budget for EAL to March 2025. The directors believe that the company's financial resources and contingency planning is sufficient to ensure the ability of the company to continue as a going concern for the foreseeable future, being at least twelve months from the date of approval of these financial statements and therefore have prepared the financial statements on a going concern basis.

The directors do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

Financial statements

The financial statements consolidate the results of Enginuity and its subsidiaries on a line by line basis. Please see accounting note 3 for further details.

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2023

2. ACCOUNTING POLICIES (continued)

Incoming resources

Income represents the amount receivable for goods and services for the period but excludes value added tax and trade discounts.

All income is recognised once the charitable group has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

In 2023, EAL reviewed its accounting treatment of qualification registration income. Previously income was recognised all up front on registration of a learner. The change in policy has been adopted to defer a proportion of the learner qualification registration income based on the average length of time taken for a qualification to be completed. As a result the comparatives for 2022 have been restated.

All other Awarding income is taken at the point of invoicing.

Income from investments represents interest from bank deposits. Interest on funds held on deposit is recognised when receivable and the amount can be measured reliably by the charity, this is normally upon notification of the interest paid or payable by the bank.

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due. This is normally upon notification by our investment advisor of the dividend yield of the investment portfolio.

Gift aid

The charity owns the whole of the issued ordinary share capital of Excellence Achievement & Learning Limited, and Enginuity Skills Limited (see note 12).

Enginuity is a registered charity and as such is entitled to certain tax exemptions on income and profit from investments and surpluses on trading activities carried out in the furtherance of the Charity's primary objectives if these profits and surpluses are applied solely for charitable purposes. The UK subsidiary companies give all their taxable profits to the Charity, normally resulting in no liability to corporation tax.

Gift aid is recognised on the accrual's basis in line with the deed of covenant.

Resources expended

Resources expended are included in the Statement of Financial Activities on an accrual's basis, inclusive of any VAT which cannot be recovered. Certain expenditure is directly attributable to specific activities and has been included in these cost categories. Support costs which cannot be directly allocated are apportioned across the categories on the basis of an estimate of the proportion of time spent by staff on those activities.

Costs of raising funds are costs incurred in attracting voluntary income and those incurred in trading activities that raise funds.

Governance costs form part of support costs for the charity. These include the external audit fee and an assessment of the time spent undertaking company secretarial responsibilities.

All expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

Interest expenses are charged to the Statement of Financial Activities over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2023

2. ACCOUNTING POLICIES (continued)

Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on a reducing balance basis.

Depreciation is provided on the following basis:

	Years
Office furniture	10
Equipment	3

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

Fixed asset investments

Investments are stated at market value as at 31 March 2023. Realised and unrealised gains and losses are released or charged to the consolidated Statement of Financial Activities in the year in which they arise.

The investment in subsidiaries is stated at the lower of cost and net asset value.

Stocks

We have changed our policy on stock holding, which related to stocks of blank certificates, as we move to E-Certificates. The existing carrying value of stock of £31,641 was written off in the year.

Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Cash

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2023

2. ACCOUNTING POLICIES (continued)

Financial Instruments

Financial assets

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

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the consolidated Profit and Loss Account.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

Financial liabilities and equity

Financial liabilities and equity 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.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Grants payable

Grants payable to other organisations are agreed as part of the Business Planning process. The cost is charged to the Statement of Financial Activities in the period to which the grant relates.

Fund accounting

The general reserve (unrestricted funds) comprises of those monies which may be used towards furthering the charitable objects.

Leased assets: Lessee

Where assets are financed by leasing agreements that give rights approximating to ownership (finance leases), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable over the term of the lease. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to profit or loss over the shorter of estimated useful economic life and the term of the lease.

Finance lease payments are analysed between capital and interest components so that the interest element of the payment is charged to profit or loss over the term of the lease and is calculated so that it represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

All other leases are treated as operating leases. Their annual rentals are charged to profit or loss on a straight-line basis.

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2023

2. ACCOUNTING POLICIES (continued)

Pensions

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in the statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the statement of financial position. The assets of the plan are held separately from the company in independently administered funds.

Enginuity is a participating employer to a defined benefit scheme administered by ITB Pension Funds. A defined benefit scheme is a pension plan under which the company pays fixed pension to its employees. As a member of the multi-employer scheme where the assets and liabilities are not identifiable, Enginuity has accounted for the scheme as a defined contribution scheme to comply with the provisions of FRS 102. Pension contributions are charged to the consolidated Statement of Financial Activities so as to spread the regular cost of the pensions and related benefits over the employees' working lives.

Judgements and key areas of estimation uncertainty

In preparing these financial statements, the trustees have had to make the following judgements:

Leases

Determine whether leases entered into by the company 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.

Impairment

Determine whether there are indicators of impairment of the company's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

Tangible fixed assets

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on the number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

3. INCOMING RESOURCES AND NET MOVEMENT IN FUNDS

a) Analysis of income

The majority of group activities are conducted in the United Kingdom.

Excellence Achievement & Learning Limited (EAL) conducted business with centres outside the UK totalling £51,266 in the year (2022: £61,799).

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2023
Analysis of Income (continued)

Externally funded projects income represents the contribution to Enginuity for staff time spent on projects funded by the UK government and other stakeholders, this income totalled £30,361 in the year (2022: £711,164).

Other income represents the charge to Enginuity customers for services provided by the charity. This relates to income generated through certification of learners, and development of National Occupation standards for devolved nations. This income totalled £328,461 in the year (2022: £264,272).

Income from trading subsidiaries represents the turnover of the charity's trading subsidiaries included in Enginuity's accounts.

3. INCOMING RESOURCES AND NET MOVEMENT IN FUNDS (CONTINUED)
b) Results of trading subsidiaries

The charity owns 100% of the allotted ordinary share capital of the following companies which are incorporated in the UK:

- Excellence Achievement & Learning Limited (EAL) is the awarding organisation for vocational qualifications primarily in the engineering sector.
- Enginuity Skills Limited delivers certain contracts and commitment for third parties in the engineering and manufacturing sectors which Enginuity the charity may not be able to enter into itself.

A summary of the trading results included in the consolidated accounts is shown below.

Audited accounts for each subsidiary entity have been filed with the Registrar of Companies.

	EAL £'000	Enginuity Skills Limited £'000	2023 Total £'000	2022 Restated Total £'000
Income:				
Income	12,075	29	12,104	10,260
Total Income:	12,075	29	12,104	10,260
Expenditure:				
Staff costs	3,433	3	3,436	2,819
Other operating charges	4,458	11	4,469	4,492
Total Expenditure:	7,891	14	7,905	7,311
Net surplus/(deficit)	4,184	15	4,199	2,949
Gift Aid to Enginuity	(4,184)	(15)	(4,199)	(2,949)
	0	0	0	0

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2023

4. STAFF COSTS
Group

	2023 £'000	2022 £'000
Wages and salaries	5,379	4,983
Social security charges	608	520
Other pension costs	260	234
	6,247	5,737

Included within wages and salaries are agency staff costs of nil (2022: nil) for the year. During the year the group made termination payments of £125,045 (2022: £254,566).

The average monthly number of persons employed by the Group during the year was as follows:

	2023 No.	2022 No.
By the Group		
Qualification awarding services	85	74
Support Services Staff	30	23
	115	97

Charity

The parent charity's staff costs are as follows:

	2023 £	2022 £
Wages and salaries	2,434	2,492
Social security charges	274	274
Other pension costs	106	131
	2,814	2,897

The average monthly number of persons employed during the year by the parent charity was as follows:

	2023 No.	2022 No.
Charitable Activities Delivery Staff	14	12
Support Services Staff	32	27
	46	39

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2023

STAFF COSTS (continued)

Emoluments of employees

The number of employees whose emoluments as defined for taxation purposes exceeded £60,000 per annum during the period was as follows:

	2023	2022
	No.	No.
£60,001 - £70,000	15	11
£70,001 - £80,000	3	2
£80,001 - £90,000	2	2
£90,001 - £100,000	4	3
£100,001 - £110,000	0	1
£110,001 - £120,000	0	1
£120,001 - £130,000	0	0
£140,001 - £150,000	0	2
£150,001 - £160,000	0	0
£160,001 - £170,000	1	0
£170,001 - £180,000	0	1
£180,001 - £190,000		
£190,001 - £200,000	1	0
£200,001 - £290,000	1	0
Total	<u>27</u>	<u>23</u>

The total of key management personnel compensation for the year was £933,138 (2022: £818,718).

Trustees' remuneration

During the year, in accordance with the Articles of Association of the charity, payments were made to the Chairman totalling £40,367 (2022: £37,273). The total amount of expenditure reimbursed to three Board members in respect of expenses incurred on the charity's activities was £592 (2022: £992). No other trustees received any remuneration (2022: £Nil).

6. NET INCOMING RESOURCES

Net incoming resources are arrived at after charging the following:

	2023	2022
	£'000	£'000
Auditor's remuneration		
- Audit services	24	22
- Tax compliance services	6	51
- Other non-audit services	5	35
Operating lease rentals-motor vehicles	99	86
Depreciation	25	79

Auditors' remuneration includes £4,840 in respect of the audit of the parent charity (2022: £4,400) and £19,360 in respect of the audit of the subsidiary undertakings (2022: £17,600). Fees in relation to non-audit services were £4,675 (2022: £35,000).

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2023

EXPENDITURE ON CHARITABLE ACTIVITIES

7.

	Staff No's	Direct costs £'000	Support costs £'000	2023 Total costs £
Promoting the sector (Skills Awards)	1	0	118	118
Digital Skills Solutions	5	905	588	1,493
Certification	3	126	352	478
Frameworks	1	57	118	175
Partnerships, policies & strategic engagement	3	203	353	556
Skills Miner	1	94	117	211
	<u>14</u>	<u>1,385</u>	<u>1,646</u>	<u>3,031</u>

	Staff No's	Direct costs £'000	Support costs £'000	2022 Total costs £'000
Promoting the sector (Skills Awards)	1	140	138	278
Digital Skills Solutions	5	1,053	690	1,743
Certification	1	68	138	206
Framework	1	64	138	202
Partnerships, policies & strategic engagement	3	261	414	675
Other charitable costs	1	30	139	169
	<u>12</u>	<u>1,616</u>	<u>1,657</u>	<u>3,273</u>

Support costs have been allocated across the charitable activities based on average full-time equivalent headcount in the charity, as this basis is consistent with the use of the resources. Governance costs are included within support costs and totalled £58,164 (2022: £63,691) for the period. Governance costs consist of Chairman's remuneration, group's audit fees and expenses reimbursed to Board members in respect of expenses incurred on the charity's activities.

8. INVESTMENT INCOME

	2023 £'000	2022 £'000
Income from fixed asset investments	862	792
	<u>862</u>	<u>792</u>

9. TAXATION

Enginuity is a registered charity and therefore is not liable for income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2023

10. TANGIBLE FIXED ASSETS

	Office furniture & Equipment £'000	Total £'000
Group		
Cost		
At 1 April 2022	1,026	1,026
Disposals	(359)	(359)
At 31 March 2023	667	667
Depreciation		
At 1 April 2022	1,000	1,000
Disposals	(359)	(359)
Charge in year	26	26
At 31 March 2023	667	667
Net Book Value		
At 31 March 2023	0	0
At 31 March 2022	26	26
	Office furniture & equipment £'000	Total £'000
Charity		
Cost		
At 1 April 2022	724	724
Disposals	(58)	(58)
At 31 March 2023	666	666
Depreciation		
At 1 April 2022	698	698
Disposals	(58)	(58)
Charge in year	26	26
At 31 March 2023	666	666
Net Book Value		
At 31 March 2023	0	0
At 31 March 2022	26	26

The net book value of tangible fixed assets held under a finance lease for the group and the charity was £nil (2022: £25,064).

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2023

11 FIXED ASSET INVESTMENTS

	£'000	£'000	2023 £'000	2022 £'000
Group and Charity	COIF Charity Funds	BNY Mellon		
Balance 1 April 2022 at market value	24,873	5,662	30,536	28,550
Additions	18	0	18	36
Disposals	(18)	0	(18)	(36)
Unrealised Loss on revaluation	(905)	(359)	(1264)	1,985
			29,272	30,535
Investment in subsidiaries			50	0
Cash awaiting investment	2,135	2,135	2,135	2,135
Balance at 31 March 2022 at market value			31,457	32,670
Historical cost of investments			30,345	30,304

The net loss on revaluation was £1,264k (2022: £1,985k).

Enginuity has investments in the COIF Charity Funds totalling £24Mm equivalent to 1279238.83 units at year end. The investment is only available to charities within the meaning of section 1(1) of the Charities Act 2011.

	2023 £'000	2022 £'000
COIF Charities investment fund income units	23,969	24,849
COIF Charities deposit fund	2,135	2,135
BNY Mellon Real Return fund Newton Inst. Shares 1 (inc)	5,303	5,686
Share in EAL	50	0

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2023

12. INVESTMENTS IN SUBSIDIARIES

	2023 £'000	2022 £'000
Charity		
Shares at cost	50	51
Impairment provision	0	(51)
	50	0

The £50k impairment made in 2013 relating to the shareholding in EAL, has been reversed and the investment restated at cost.

The remaining share cost and provision of £1k have been removed in the current year, as all other subsidiaries have been fully struck off.

The charity owns 100% of the allotted ordinary share capital of the following subsidiaries, all of which are registered in England and Wales:

Excellence Achievement & Learning Limited (company registration no 02700780)

A company registered in England and Wales which provides the assessment systems for awarding vocational qualifications primarily in the engineering sector and acts as the awarding body for those qualifications.

Enginuity Skills Limited (company registration no 12172530)

A company registered in England and Wales whose principal activity is the provision of projects for specific commercial partners within the engineering sector.

The registered office of all of the above subsidiaries is Unit 2, The Orient Centre, Greycaine Road, Watford, WD24 7GP.

13. STOCKS

	Group		Charity	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Resalable publications	0	32	0	0

14. DEBTORS

	Group		Charity	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Amounts falling due within one year				
Trade debtors	1,278	1,294	145	43
Amounts owed by subsidiary undertakings	0	0	1,637	668
Other debtors	0	0	0	0
Prepayments	528	344	211	160
Accrued income	180	226	180	226
	1,986	1,864	2,173	1,097

Bad debt recognised for the group during the year as a reduction in expense was £47,909 (2022: £13,362).

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2023

15. CREDITORS: amounts falling due within one year	Group		Charity	
	2023	2022 Restated	2023	2022
	£'000	£'000	£'000	£'000
Trade creditors	332	318	151	256
Taxation and social security	262	448	175	340
Other creditors	114	56	7	32
Accruals	504	494	234	252
Finance lease liabilities	0	25	0	8
Deferred income	3,616	3,598	163	4
	<u>4,828</u>	<u>4,939</u>	<u>730</u>	<u>892</u>
16. CREDITORS: amounts falling due after one year	Group		Charity	
	2023	2022 Restated	2023	2022
	£'000	£'000	£'000	£'000
Deferred Income	1,051	992	0	0
	<u>1,051</u>	<u>992</u>	<u>0</u>	<u>0</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2023

17. DEFERRED INCOME

	Group 2023 £'000	2022 £'000	Charity 2023 £'000	2022 £'000
Balance at 1 April	4,590	4,513	24	201
Amount released to income	(58)	(201)	(24)	(201)
Amount deferred in the period	135	278	135	4
Balance at 31 March	<u>4,667</u>	<u>4,590</u>	<u>135</u>	<u>4</u>

Deferred income of £135,000 (2022: £278,000) relates to externally funded projects both from customers within and outside of UK with deliverables between 1 year.

18. FINANCE LEASE AGREEMENTS

The group had the following finance leases in relation to IT equipment:

	2023 £'000	2022 £'000
Due in:		
Less than one year	0	25
One to five years	0	0
	<u>0</u>	<u>25</u>

19. OBLIGATIONS UNDER OPERATING LEASE AGREEMENTS

At 31 March 2023 the group has future minimum lease commitments as follows:

	2023 £'000	2022 £'000
Expiry date		
Less than one year	14	20
One to five years	3	10
	<u>17</u>	<u>30</u>

20. FUNDS AND RESERVES

	2023 £'000	2022 Restated £'000
General unrestricted reserve		
Group		
At 1 April	33,562	30,190
Realised and Unrealised gains on investments	(1,264)	1,985
Income received	13,324	12,027
Expenditure	(10,996)	(10,640)
At 31 March	<u>34,626</u>	<u>33,562</u>
Charity		
At 1 April	33,453	30,080
Realised & Unrealised gains on investments	2,985	4,411
Income Received	1,221	1,767
Expenditure	(3,093)	(2,805)
At 31 March	<u>34,566</u>	<u>33,453</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2023

21. NET ASSETS/LIABILITIES

	Group		Charity	
	Unrestricted funds	Unrestricted funds	Unrestricted funds	Unrestricted funds
	2023	2022	2023	2022
		Restated		Restated
	£'000	£'000	£'000	£'000
Tangible fixed assets	0	26	0	26
Investments	31,406	32,670	31,456	32,670
Current assets	9,100	6,797	3,840	1,649
Current liabilities	(4,829)	(4,939)	(730)	(892)
Non-current liabilities	(1051)	(992)	0	0
	<u>34,626</u>	<u>33,562</u>	<u>34,566</u>	<u>33,453</u>

22. FINANCIAL ASSETS AND LIABILITIES

	2023	2022
	£'000	£'000
Group		
Financial assets measured at fair value through profit or loss	<u>29,272</u>	<u>30,535</u>

Financial assets measured at fair value through profit or loss include the investments.

23. LIABILITY OF MEMBERS

The charity is constituted as a company limited by guarantee. In the event of the charity being wound up members are required to contribute an amount not exceeding £1.

24. RELATED PARTY TRANSACTIONS

Due to the nature of the charity, most trustees will be associated with organisations which may have a financial relationship with the charity. Opportunity is given for disclosure of any financial or other interest prior to any Board discussions.

All transactions involving organisations in which a member of the Key Management may have an interest are conducted at arm's length and in accordance with Group's financial regulations and normal procurement procedures.

During the year the group incurred cost in relation to consultancy services amounting to £0 (2022: £8) provided by Anthony Watson. The consultant is a close family member of the Group's Chief Executive Officer.

During the year the group incurred cost in relation to consultancy services amounting to £0 (2022: £1,125) provided by Rob Townsend. The consultant is a close family member of Group's Chief Executive Officer.

During the year the group incurred cost in relation to services amounting to £0 (2022: £17,500 from Get My First Job. One of a number of shareholders of Get My First Job is a close family member of the EAL's Chief Operating Officer.

During the year the Group incurred cost in relation to hire of venues amounting to £8,584 (2022 £1,300) provided by Make UK. The Group Chief Executive Officer was appointed to Make UK board during the financial year.

During the year the Group received £15,000 from QinetiQ in relation to sponsorship of the Skills awards. V Saward (Trustee has had a senior role within this company)

At the year end there were no balances outstanding to or from related parties.

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2023

25. CHANGE IN ACCOUNTING POLICY FOR TURNOVER & ASSOCIATED CHANGES IN BALANCES DECLARED

In 2022 the comparatives have been restated to take account of a prior year adjustment and change in income recognition policy.

The impact of this adjustment means that the Free reserves at 1 April 2021 and 31 March 2022 have decreased by £2.9M and £3.1M respectively.

The effects of the change are detailed below:

Reconciliation of Reserves

Group

Reserves (as previously stated)
Change in Policy

2022
£'000

2021
£'000

33,629
(3,067)

33,127
(2,937)

Reserves Restated

33,562

30,190

Charity

Reserves (as previously stated)
Change in Policy

39,520
(3,067)

33,017
(2,937)

Reserves Restated

33,453

30,080

Reconciliation of Income from Trading Subsidiaries

2022

£'000

Reserves (as previously stated)
Change in Policy

10,390
(130)

Income Restated

10,260

Reconciliation of Net Surplus

Net Surplus (as previously stated)
Change in Policy

3,503
(130)

Reserves Restated

3,373

The restated Balance sheet amounts are:

Group and Charity

2022
£'000

Creditors: Amounts falling due within 1 year

(4,939)

Creditors: Amounts falling due after 1 year

(992)

Provisions

0

Charity only

Amounts owed by group undertakings

1097

26. Pension commitments

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in the statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the statement of financial position. The assets of the plan are held separately from the company in independently administered funds.

EAL is a participating employer to a defined benefit scheme administered by ITB Pension Funds. A defined benefit scheme is a pension plan under which the company pays fixed pension to its employees. As a member of the multi-employer scheme where the assets and liabilities are not identifiable, EAL has accounted for the scheme as a defined contribution scheme to comply with the provisions of FRS 102. Pension contributions are charged to the consolidated Statement of Financial Activities so as to spread the regular cost of the pensions and related benefits over the employees' working lives.

The total cost to the company under both schemes for the year was £259,715 (2022: £234,000).

ENGINEUITY

England & Wales - Charity number 1000328

Accounts



Enginuity
(formerly Science, Engineering And Manufacturing
Technologies Alliance)

Report And Consolidated Financial Statements
for the year ended 31 March 2022

Company Number: 02324869
Charity Number: 1000328

ENGINEUNITY

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

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ENGINEUITY

ADVISORS FOR THE YEAR ENDED 31 MARCH 2022

Auditor

Crowe U.K. LLP
4th Floor, St James House
St James Square
Cheltenham
GL50 3PR

Registered Office

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Watford
WD24 7GP

Investment Managers

CCLA
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85 Queen Victoria Street
London
EC4V 4ET

BNY Mellon Fund Managers Limited
The Bank of New York Mellon Centre
160 Queen Victoria Street
London
EC4V 4LA

Board Members

Dame J Hackitt DBE (Chair)
M Evans
S Hunter
J Lopes
S Pamplin
M Tarry
P Birt
S Sandle
K Boswell OBE
J Wood
V Saward
P Perera
D Meredith (resigned 19/11/2021)
A Burke

Investment Advisor

Portfolio Manager Consultancy Ltd
Woodwater House
Pynes Hill
Exeter
EX2 5WR

Chief Executive

A Watson

Banker

Barclays Bank plc
62/62 High Street
Watford
WD17 2BT

Solicitors

DLA Piper U.K. LLP
1 St. Peter's Square
Manchester
M2 3DE

Womble Bond Dickinson (UK) LLP
4 More London
Riverside
London
SE1 2AU

Report of the Chair by Dame Judith Hackitt DBE

Over the last year, the challenges we face in the UK and across the world have become even more entrenched and we are seeing increasingly urgent pressure on the engineering and manufacturing sector. In response, we are seeing more innovation, greater expertise, and increasing flexibility as the sector becomes more agile, adapting to the demands of Industry 4.0 and digitalisation, the race to Net Zero, the transport revolution and a challenging labour market. Engineering and manufacturing businesses are hungry for skills at a time when the government's levelling up agenda is relying on the sector to boost productivity across all regions of the UK.

I am proud of the role that Enginuity continues to play in supporting engineers and manufacturers to adapt to this fast-paced change, rise to the challenges, and inspire the future workforce. Over the last year, our leadership of the National Manufacturing Skills Taskforce has made a significant contribution to influencing and co-ordinating a common voice, fostering ways for organisations to work together to boost support for, and investment in, the development of vital skills.

We continue to successfully raise the profile of achievements within engineering and manufacturing and were proud to host the annual Enginuity Skills Awards in person once again to recognise and celebrate the commitment of learners and apprentices, training providers and employers to skills development. This fantastic showcase serves to reinforce the value of long-term skilled employment in fulfilling careers.

Supporting the future talent pipeline, we have seen success in the development of our Skills Miner games which help to bring STEM subjects to life for young people, raising awareness of careers, and stimulating interest in, and engagement with, engineering challenges.

Enginuity continues to develop its technical expertise to design innovative and practical solutions to solve sector skills challenges. For example, we have used our expertise in data science to further develop digital products and services that help to identify skills and training needs and support the recruitment of skilled individuals. The Career Converter tool has demonstrated its value in highlighting transferable skills to individuals, and in enabling employers to quickly and accurately assess candidates that can be fast-tracked into the sector. Moving forward we plan to enable other organisations to benefit from our IP by licensing this cutting-edge technology to benefit other parts of the sector.

We have demonstrated our skills in data analysis through the Skills Foresighting project for the High Value Manufacturing Catapult which is providing rich insights into detailed skills requirements and workforce planning. We hope that our work to develop a Common Skills Language and the automated processes to generate intuitive data visualisation will help contribute to the development of a skilled pipeline of future talent aligned to the requirements of new manufacturing technologies.

The year ahead will bring a renewed focus on our green product strategy in response to the UK's Net Zero goals, the achievement, of which will depend to a considerable extent on the ingenuity and productivity of our engineering and manufacturing workforce.

The team at Enginuity has proved itself to be highly capable, flexible, and adaptable against a backdrop of momentous change and emerging issues of increasing urgency. I am proud of their hard work and resilience, and trust that the strengths we have developed together will enable the organisation to continue driving the success of the sector in the year ahead.

Looking Ahead with Confidence

The critical activities that will secure our survival and prosperity in the 21st century depend on a robust, high-quality response from engineers and manufacturers. Enginuity understands the importance and urgency of developing skilled engineering talent in the UK and supporting the future workforce.

As part of our ambition to secure a sustainable future for Enginuity, the year ahead will see us consolidate our position as an authoritative voice within the engineering and manufacturing sector, demonstrating that we have a deep understanding of its skills challenges, and enabling individuals and organisations to anticipate and adapt to the technological revolution that will deliver a productive future.

Harnessing the power of data in the way our industry does so expertly, we will continue to develop high-quality, innovative, and practical solutions that will enable the sector to understand, process and deliver the skills required to solve the world's most pressing problems including the urgent climate emergency.

In the year ahead, we will continue to build on the development and promotion of our three pillars: Enspire, Ensign, and Enact, providing a robust platform for Enginuity's ambition to connect the sector and share knowledge to enable its future growth and development.

Through Enspire, we aim to create unique opportunities that will encourage young people to explore potential careers in engineering through a growing range of interactive career insights, further educational pathways, and gamification of the national curriculum. We will support new entrants to the sector through the provision of internships and a new bursary scheme that will enable aspiring engineers to achieve their ambitions. We are confident that these activities will help to inspire the future pipeline of engineers and secure the future prosperity of the sector.

As we move forward, we will address and support existing engineers as well as professionals within parallel sectors through our Ensign tools. We will expertly pull together a wealth of specialist knowledge and insights within a single source of data highlighting the skills, knowledge, and behaviours, including those that are transferable between occupations, which enable individuals to follow a meaningful career path and contribute to future productivity.

The third of our three pillars, Enact, will offer bespoke workforce planning services to businesses, organisations and regions based on the skills requirements within their strategic roadmaps in accordance with their technological capabilities and existing talent base.

We look forward to working as part of a Knowledge Transfer Partnership with the University of Teesside to bring the expertise devised through the Enspire and Ensign pillars to the market through a range of services for regional, sectoral, and corporate customers.

Our long-term ambition is that the three pillars will create value for our sector, enabling the definition of the future curriculum and providing a platform for education establishments to devise, curate and deliver exactly what the sector needs to solve its skills challenges. Entrants to the engineering workforce will benefit from refined educational pathways preparing them for their future careers, while experienced individuals from the professional workforce will benefit through bitesize modular study options to maintain their capabilities in an evolving technical landscape.

In order to effectively communicate our offer under these three pillars we are working to bring our sub-brands to life as part of a re-designed website for Enginuity which will be built, tested and launched during the year ahead.

Our plans also include the launch of the Enginuity Skills Awards for 2023 and we are looking forward to hosting the event in a new venue. Recognising the wealth of talent within the sector in this way provides the perfect showcase for our ambitions, as we raise the profile of outstanding achievements within UK engineering and manufacturing, paving a way for its future success.

ENGINUITY

TRUSTEES'/DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2022

REFERENCE AND ADMINISTRATIVE DETAILS

ENGINUITY is a company, limited by guarantee (company number 02324869) and does not have share capital, which is incorporated in England and Wales under the Companies Act 2006. It is a registered charity (charity number 1000328) governed by its memorandum and articles of association. The charity owns 100% of the allotted ordinary share capital of two trading subsidiaries.

The members of the Board who held office during the year were:

Dame J Hackitt DBE (Chair)

M Evans²

S Hunter

J Lopes

S Pamplin⁶

M Tarry^{1,2,2,4}

P Birt^{3,2,1}

S Sandle³

K Boswell OBE

V H Saward⁵

J Wood

P Perera

A Burke

D Meredith (Resigned 19/11/2021)

- 1 Member of the Investment Committee
- 2 Member of the Audit Committee
- 3 Member of the Remuneration and Pensions Committee
- 4 Member and Chairman of the Audit Committee
- 5 Member and Chairman of the Investment Committee
- 6 Member and Chairman of the Remuneration and Pensions Committee

The Chief Executive, professional advisors and registered office of the charity are listed on page 1.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Charity is governed by a Board of employer and trade union representatives. The members of the Board are trustees of the charity and also directors for the purposes of company law.

The Board meets quarterly to review progress against the agreed business plan and agree on future strategy. Responsibility for the management of the business is delegated to the Chief Executive.

There are four committees which submit reports to the full Board:

- Investment Committee
- Audit Committee
- Remuneration and Pensions Committee
- Quality Assurance Committee

Two further sub committees of the Board meet as and when required with all members of the Board participating as appropriate. A Board Standing Committee has delegated authority to approve expenditure and contracts on behalf of the Board and the Nominations Committee considers appointments to the Board and to the role of Chief Executive.

As directors of the company, the Board members are responsible for overseeing the company's business in a manner consistent with its charitable objectives. They are also guarantors to the company.

ENGINUITY

TRUSTEES'/DIRECTORS' REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2022

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

The key subsidiary is Excellence Achievement & Learning Limited (EAL - a Vocational Awarding Organisation) and Enginuity Skills Limited which commenced trading on 1st October 2021.

After last year-end, the Directors of four dormant subsidiaries (being Training Properties Ltd, Training Publications Ltd, Metskill Ltd and National Skills Academy for Manufacturing Ltd) and the Directors of the parent company had put in place plans to dissolve those entities and strike them from the register. At the date of this report, all except Metskill had been struck off.

The key internal financial control procedures are summarised as follows:

Control Environment:

There is a clear organisational structure with well-defined lines of responsibility and delegation of appropriate levels of authority.

Risk Management:

Business strategy and business plans are reviewed by the Board. Detailed appraisals are undertaken and financial implications evaluated prior to all capital expenditure and projects. Risk assessments are considered by the Audit Committee at each meeting and reported back to the Board.

The impact of COVID-19 has been taken into account on structuring and running Enginuity's day to day operations.

Financial Reporting:

A comprehensive system of budgets and forecasts is in place, with quarterly monitoring and reporting of actual results against targets to the Board.

Control Procedures and Monitoring Systems:

Authority levels, procedures and other systems of internal financial control are documented, applied and subject to Internal Audit and review by the Audit Committee, which consists of Board Members and other members who are suitably qualified. The Audit Committee meets twice each year with the external auditors to discuss the audit plan and the results of their audit work. The auditor can meet the Audit Committee in private session as part of this process.

Investment:

Investment management is delegated to professional investment management firms CCLA and BNY Mellon Fund Managers Limited, supported by an independent advisor Portfolio Manager Consultancy Ltd. The Investment Committee's role, chaired by an Enginuity Board Member and supported by members who are suitably qualified, is to review the performance of the investment managers and make recommendations to the Board on investment policy.

Remuneration:

Senior executive remuneration is governed by the Remuneration and Pensions Committee which is chaired by an Enginuity Board member and has members who are suitably qualified.

Appointment of Board Members:

The appointment of Board members, for a maximum of three terms of three years, is made by members on the recommendation of the Nomination Committee.

New Board members undergo an induction to brief them on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, Enginuity's strategy and recent financial performance and the Committees and decision-making process. Board members are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

ENGINUITY

TRUSTEES'/DIRECTORS' REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2022

PUBLIC BENEFIT

As a registered charity, Enginuity operates for the public benefit. As an organisation, we believe that one engineer can change their world and ours, given the opportunity.

Enginuity provides such opportunity through the creation of practical skills solutions for engineering employers and for individuals who want to see and develop the skills they need to succeed. We do this through the use of unmatched expertise and data.

Enginuity promotes and advances the education, training and skills development of individuals employed within the engineering sector and those wishing to become employed within the sector.

Enginuity provides public benefit by:

- Supporting Engineering and Manufacturing to drive a positive and growing contribution from the sector both in terms of jobs and contribution to GDP
- Supporting employers in identifying future skills requirements and developing or sourcing appropriate education and skills solutions to upskill and reskill the existing workforce thereby maintaining people in employment for longer whilst also promoting the sector as an attractive and worthwhile career
- Ensuring that individuals and employers can access high quality engineering skills training programmes, assessment and validation to keep their skills and competency relevant, up-to-date and evidenced
- Inspiring individuals with latent talent who may not have considered engineering and help individuals already interested in a career in engineering to understand their potential and be given opportunities for development and progression
- Ensuring that ethics and safety of the public is integrated into all training both directly and through partners to create the right environment for and build trust in engineers to tackle some of society's most pressing issues such as climate change."

In agreeing this statement of public benefit, the Board confirm they have paid due regard to the Charity Commission guidance. The charity's activities and achievements are set out below.

STRATEGIC REPORT

OBJECTIVES AND ACTIVITIES

The objectives and mission of the charity are to proactively support employers in the engineering and manufacturing sector to inspire and create the engineers, technicians and scientists of today and tomorrow.

Activities include but are not limited to:

- Providing expert leadership to employers, Government, educational institutes and industry organisations
- Promotion of the skills needs for the sector.
- Development of practical skills solutions to support employers and individuals in accessing the skills that they need.
- Use of technology to assist employers in the attraction of new talent as well as the up and reskilling of the existing workforce.

Our Strategic Goals as outlined in our Strategy and Business Plan are:

- A sustainable charitable group with a growing surplus that is invested in activities that delivers public benefit and a positive impact to the UK engineering sector.
- Through our expert strategic insight, and knowledge of the sector alongside use of digital technologies we develop innovative practical solutions to solve the sector skills challenges of today and tomorrow.
- With the customer at the heart of everything we do, we will become the single source for high quality, innovative skills solutions underpinned by outstanding customer service.
- A highly expert, people-focused and performance driven group, our people live the operating model and our values, culture and inclusivity are recognised for this.
- The Enginuity brand is synonymous within the sector as the trusted and inclusive skills integrator who marries engineering expertise with digital technologies to deliver practical skills solutions and expert and insightful thought leadership.

To achieve this strategy we set out to:

- Deliver impactful intelligence and best practice
- Create practical skills and talent solutions
- Use innovation to deliver new public benefit
- Co-create and collaborate for the benefit of the sector and maximise public benefit
- Be a sustainable charitable group creating public benefit into the future.

Partnerships and Projects – Forging Links and Building Relationships

The last year has seen Enginuity get involved with several high-profile projects that are helping to support skills development within engineering and manufacturing.

Responding to Government

Enginuity responded to an inter-departmental government consultation seeking to assess the manufacturing workforce and provided a detailed response to the Department for Education (DfE), Department for Business, Energy and Industrial Strategy (DBEIS), and the Department for Work and Pensions (DWP).

Its response highlighted the use of skills fore-sighting, influenced by technology roadmaps, that help to build future workforce skills requirements across multiple sectors. Enginuity reflected on the impact of Brexit and the pandemic on the manufacturing workforce and suggested ways in which industry can address skills shortages such as digitalisation and electrification in the transport sector.

In addition, Enginuity contributed to consultation on the National Skills Fund led by the DFE by highlighting the need to focus on upskilling the existing workforce and supporting qualifications that enable individuals to move between sectors. Enginuity called for greater flexibility in the training offer including support for free Level 3 qualifications alongside skills bootcamps.

Strengthening Skills Through Partnership

As a founder of the National Manufacturing Skills Taskforce, Enginuity has been instrumental in influencing policy as part of a broad group of organisations operating in sectors from food and drink to pharmaceuticals and life sciences.

Enginuity helped to produce a podcast and myth-busting fact sheet for 30,000 work coaches in the Department for Work and Pensions providing content for a manufacturing microsite designed to address perceptions of the sector. It also highlighted the shortage of HGV drivers raising the profile of the need for improved working conditions.

Alongside the Institute for Apprenticeships and Technical Education (IfATE), Enginuity supported the implementation of the new engineering and manufacturing T Levels due to be rolled out in September 2022 for the first time. In addition, the taskforce contributed to the Education and Skills Funding Agency (EFSA) Apprenticeships in Manufacturing group which is designed to provide a common response from industry to plans to grow recruitment in this area.

Forecasting Future Skills

Data science and data analytics were at the heart of a project supported by Enginuity that helped the High Value Manufacturing Catapult to identify future skills requirements based on technical and business drivers and incorporating input from employers.

Funded by the Department for Education, skills fore-sighting methodology was used to identify the skills, knowledge and behaviours required within the automotive workforce in the context of digitalisation and electrification. The methodology helps to expose skills gaps, influencing the content and design of qualifications.

Apprenticeships Underpin Vital Skills for Scotland

Support for apprenticeships in Scotland remains healthy with numbers of engineering and manufacturing apprentices recovering to around 1,200 which is in line with pre-pandemic levels.

The apprenticeship qualifications, managed by Skills Development Scotland, encompasses frameworks from foundation through to technical and degree level which can be accessed at any point on an apprentice's skills journey. Achievement rates are high at over 71 per cent and recruitment is strong.

However, an ageing workforce and a declining demographic for young people means that skilled individuals able to take on 21st century challenges are in higher demand than ever before. Further work is needed to deliver the skills required to support advances including the digitalisation of manufacturing and the decarbonisation of the transport system.

Having previously contributed to the design of Modern Apprenticeship Frameworks, Enginuity is now working with Skills Development Scotland and the National Manufacturing Institute of Scotland to help develop new frameworks and standards for engineering and manufacturing taking account of best practice across Europe and designed with both employee and employers' involvement from the start.

ENGINUIITY

TRUSTEES'/DIRECTORS' REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2022

Work includes mapping skills requirements to support the adoption of new technologies in manufacturing and identifying how individuals can be supported to gain new skills. This follows work already completed over the last year that culminated in the launch of a new technical apprenticeship in engineering and digital manufacturing in May 2022.

Robert Bruce, sector development specialist for engineering and manufacturing at Enginuity said, "Apprenticeships are highly regarded in Scotland and well supported by employers, but skills remain in short supply. We are focusing on ways to help industry ensure that apprentices have the skills for tomorrow's engineering challenges and ability to retrain their existing workforce including developing core engineering and manufacturing standards that can be applied across a wide range of engineering environments, enabling individuals to build multidisciplinary and advanced technology skills that can be deployed whatever sector they work in from oil and gas to agricultural engineering."

Externally Funded Projects

The last year has seen Enginuity involved in several high-profile projects designed to boost understanding and awareness within the skills value chain. Below are some highlights that outline progress to date.

Cell & Gene Therapy Catapult (C&G)

Enginuity applied machine-based learning to translate free text on skills within digital content creating a common skills language to highlight complementary occupational profiles that match those within vaccine manufacturing. The concept was developed to help identify transferable skills and attract individuals to pursue career pathways they may not otherwise have chosen. The project overcame challenges associated with the application of similarity in semantics, creating structured data and enabling horizontal comparison between the multiplicity of skills outlined in job descriptions.

High Value Manufacturing Catapult (HVMC)

Through an in-depth exposition of the processes within the skills value chain, Enginuity was able to contribute to the HVMC's 'Manufacturing the Future Workforce' project, using data acquisition, consolidation, and comparison to provide insights into the skills requirements of the future workforce.

Babcock Skills Assessment

In this project, the first external contract via Enginuity Skills Limited, gamification was used to identify individuals with diverse skillsets that may not have been recognised through the traditional apprenticeship application and interview process, to help bring people with relevant experience and adjacent skills into a wide range of roles.

DRIVES

End of 2021, saw the conclusion of the EU-funded Development and Research on Innovative Vocational Education Skills (DRIVES) project. Twenty-four partners from 11 countries collaborated to deliver human capital solutions to supply chain SMEs through the establishment of an Automotive Sector Skills Alliance. This will serve to map and assess skills gaps and future demand within the sector over the next decade, help to build common skills frameworks across the EU and enable mutual recognition of qualifications between member states.

A Charitable Focus

Skills Miner

The appeal of gaming underpins the Skills Miner platform which challenges students to complete engineering challenges through playing Minecraft. Each game is professionally curated and built with

**TRUSTEES'/DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2022**

advice from industry experts and contains authentic scenarios. For example, within the aerospace game, students are challenged to create their own sustainable fuel to power an aircraft and fix the code that enables the flight deck to bring it safely down to land.

A new edition in the Skills Miner series was launched to coincide with November 2012's Cop 26 Conference – Skills Miner Home Energy. It brought to life the challenge of upgrading a house to increase its sustainability rating while meeting a budget.

As well as being enjoyable to play, games are designed to contribute to learning in line with the curriculum. The outcomes are mapped to Gatsby Benchmarks so students discover career opportunities as they play and can download a certificate to demonstrate the essential life skills they have mastered through the experience.

Partner Services

In tandem with Skills Miner games, which are mapped to the curricula of all four nations, Gatsby Benchmarks and Skills Builder Essential Skills Framework, Enginuity has developed complementary lesson plans, worksheets, and video tutorials. Students are requested to complete a survey at the end of each game to help evaluate its effectiveness and provide feedback that contributes the development of these free resources for schools.

COP 26 Website

The COP 26 conference hosted in Glasgow last November prompted the development of a dedicated 'Green Skills' website - greenskills.enginuity.org - which focuses on the role of engineering and manufacturing in helping achieve Net Zero targets and highlights the need to recognise the skills required to achieve these.

Through this website, Enginuity can make a meaningful contribution to conversation about the route to Net Zero highlighting a data-led approach to defining green skills and illustrating its effectiveness through case studies.

During the COP26 conference, Enginuity's daily sentiment tracker sought to aggregate threads of opinion on green skills as they were expressed through social media, enabling focused discussion.

In total there were 1,870 users, with a total of 4,292 views across the website and 95% of those viewing the site were new users.

Enginuity Skills Awards

Star-studded event celebrates the brilliance of our sector

We were delighted to celebrate together in person for the first time since 2019 when we staged the Enginuity Skills Awards in March 2022 to recognise the best of UK engineering and manufacturing talent. More than 300 people gathered at our glittering awards ceremony held at 8 Northumberland Avenue in London which was hosted by Robert Llewellyn.

The Skills Awards celebrate the achievements of a new generation of talent which is already shaping the future of industry. They also recognise the dedication and commitment of employers in their critical role of training and developing the workforce of the future. Nine awards were presented plus the Best of British Engineering, won by Tom Brookes, Managing Director of Zzeus Training Ltd, a specialist fire alarm technician training centre based in Lincoln.

'One engineer who is changing the world'

Tom Brookes, Zzeus Training Ltd

Skills Champion of the Year and Winner of the Best of British Engineering Award

Tom Brookes took his inspiration from the Grenfell Tower fire and was determined to do whatever he could to help prevent such a catastrophe from ever happening again.

Tom said, "The UK has a shortage of qualified fire alarm engineers and Grenfell reinforced the critical importance of training in this area. Zzeus has created the conditions in which people within the fire alarm industry can gain a formal qualification. We have helped learners of all ages to gain qualifications including adults who have enjoyed long careers in the sector."

Shaping Future Industry

Ann Watson, Chief Executive Officer of Enginuity, said, "It was wonderful to see so many brilliant apprentices, learners and companies collecting awards and celebrating at the Enginuity Skills Awards. We have a remarkable depth of the talent and enthusiasm within the engineering and manufacturing sectors and our awards are the perfect opportunity to recognise how individuals are successfully rising to the challenge of changing the world."

Dame Judith Hackitt, DBE FREng, Chair of Enginuity, said, "The Enginuity Skills Awards enable us to celebrate the commitment of learners and apprentices, training providers and employers to skills development. These awards are a crucial opportunity for companies of all size to celebrate the new generation of talent shaping the future of our industries."

Congratulations to all our Award Winners

Training Partner of the Year Award sponsored by Burton and South Derbyshire College

Winner: In-Comm Training

SME Apprentice of the Year Award - sponsored by BAE Systems

Winner: James Ashly from Gloucestershire Engineering Training

Diversity in Engineering Award - sponsored by Enginuity

Winner: Professor Lisa Brodie, the University of West England, Bristol

SME Investment in Skills Award - sponsored by Jaguar Land Rover

Winner: Dan Richardson from Tribosonics

Large Employer Apprentice of the Year - sponsored by Fuse Universal

Winner: Joshua Tee from MTC Apprenticeships

Skills Innovation of the Year Award - sponsored by QinetiQ

Winner: AutoLive from North Warwickshire and South Leicestershire College and Coventry University Enterprises Ltd.

Graduate or Degree Apprentice of the Year - sponsored by The Engineer

Winner: Ryan Yates of BAE Systems

Skills Champion of the Year Award - sponsored by EAL

Winner: Tom Brookes of Zzeus Training Ltd

**TRUSTEES'/DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2022**

Digital Innovation of the Year Award - sponsored by Dassault Systemes
Winner: The Engineering Development Trust

Best of British Engineering Award - sponsored by Enginuity
Winner: Tom Brookes of Zzeus Training Ltd

Our People Achievements

Wellbeing

Looking after our people and promoting a great culture remained priorities for the year, and as the impact of the pandemic continues to be felt, particular emphasis was placed on mental health.

Workshops were devised to focus on Resilience and Coping Through Change. All managers were provided with training to support mental health, and eleven Mental Health First Aiders were trained to provide extra support for colleagues.

In line with greater recognition of the impacts of the menopause, colleagues were invited to Menopause Awareness workshops. Enginuity continues to build on this support, working towards becoming accredited as a 'Menopause Friendly Employer'.

Enginuity's approach to health and wellbeing led to Enginuity gaining 'Highly Commended' in the 'This Can Happen Awards' in 2021.

Building our Culture

As an organisation based on remote working, we need to maintain a concerted focus on building culture, connection, and rapport amongst colleagues.

Dedicated "coffee and chat" sessions encouraged informal social engagements and these have been extended to include members of the leadership team.

Our Employee Voice Forum continued to provide a cross-organisation opportunity for colleagues to meet and identify how we can operate more effectively. Virtual 'CEO Live' sessions boosted visibility of our strategic direction as well as providing progress updates.

We were delighted to launch our Employee Volunteering Programme which enables colleagues to spend a day outside of work giving assistance or support to local or wider communities.

Values and Behaviours

Underpinning our culture is a set of values which were launched as part of the new internal branding campaign in the summer of 2021. We are proud that more than half of our colleagues were involved in shaping the new values and behaviours and they have been embraced across the business.

Our four values are designed to ensure we are "boldly making a difference together":

- We Are Bold
- We Make a Difference
- We Are in it Together
- We Value All Voices.

Through this work, we were delighted to be named as a finalist in the Engage Awards for 'Best Use of Voice of the Employee'.

A peer-to-peer recognition scheme linked to values was also launched, enabling colleagues to celebrate the successes and contributions of others.

ENGINUITY

TRUSTEES'/DIRECTORS' REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2022

Diversity and Inclusion

We continue to strive for world-class diversity and inclusion standards, achieving 'Bronze' Standard from Clear Assured for our commitment to, and progress in, equality, diversity, and inclusion.

This accreditation reflects our focus on embedding D&I throughout our recruitment and onboarding processes, policies and procedures, and cultural development programmes.

Achieving the Bronze standard marks our progress beyond compliance towards a cultural shift, where diversity and inclusion are embedded within the day-to-day experiences of colleagues.

Induction and Onboarding

The induction and onboarding process was re-structured to ensure a great colleague experience, with new colleagues invited to attend a 'Welcome Induction' during which they are given the opportunity to meet the executive team as well as their peers from across the business.

These sessions provide an opportunity to gain an understanding of Enginuity's culture and values in addition to helping colleagues appreciate the breadth of our operations.

Looking Ahead

In the year ahead we will be introducing a new employee engagement platform, Hive HR, to complement our existing employee voice channels. This platform will enable us to gather and listen to feedback, and make continuous improvements ensuring that the Enginuity Group remains a great place to work.

Even greater focus on diversity and inclusion will – hopefully – enable us to achieve Clear Assured Silver standard accreditation.

A Management and Leadership Development Programme will be launched to support our leaders and managers in continuously upskilling and driving a great experience for their teams.

We will continue to explore how we can provide the best candidate and employee experience through the use of HR systems and processes.

EAL & Enginuity Skills Limited

Together with our trading subsidiaries EAL and Enginuity Skills Limited we are able to make a positive difference for our beneficiaries. EAL supports the Enginuity charity in the delivery of its objects and powers through the development, delivery and validation of qualifications and end point assessments via a network of further education and other training institutions, enabling individuals to gain nationally recognised qualifications and certification.

In 2021/22 EAL:

- ✓ Registered 77,947 students onto qualifications.
- ✓ Issued certificates to 64,109 students recognising their achievements.
- ✓ Released 12 new qualifications, plus eight EAL Approved courses – a valuable endorsement which serves a kitemark on the quality of in-house training provision.
- ✓ Achieved a score from their customers of 92.5% rated customer service interactions as 'great' or 'amazing'
- ✓ Processed 121 new centre business leads and 30 existing centre business leads.

The financial year 2021/22 saw Enginuity Skills Limited deliver its first external contract to support the charity. Gamification was used to identify individuals with diverse skillsets that may not have been recognised through the traditional apprenticeship application and interview process, to help bring people with relevant experience and adjacent skills into a wide range of roles.

Enginuity's trading subsidiaries provide:

ENGINUITY

TRUSTEES'/DIRECTORS' REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2022

- a main source of funding for Enginuity by gift aiding any surplus;
- other valuable resources which help to save money, e.g. sharing premises and shared service functions;
- opportunities to strengthen the quality, reach and impact of Enginuity's work;
- an effective trading structure to raise funds for Enginuity;
- a direct way of furthering our Enginuity's purposes.

Further details can be found within the EAL and Enginuity Skills Limited Annual Reports for 2021/22 of all of their key achievements and their outlook for the year ahead.

FINANCIAL REVIEW

The Consolidated Statement of Financial Activities for the year ended 31st March 2022 (page 23) shows a net increase in funds of £3,502k (2020/21 increase of £4,234k).

The key drivers of the financial result were:

- Better than anticipated financial performance by both Enginuity and EAL.
- EAL producing strong income growth year-on-year.
- Strong cost control measures.

Investment gains for the year ending 31st March 2022 are £1,985k (2021 gain of £4,707k).

The Charity's funding is derived from the subsidiaries' profits, and from delivering projects which address the productivity and skills development needs of employers and employees within the engineering sector.

The two trading subsidiaries produced a net surplus of £3,079k (2020/2021 the net surplus of £1,015k).

The results of the trading subsidiaries are detailed in Note 3(b).

RESERVES POLICY

Enginuity holds a prudent level of reserves to support the aims of the charity and to ensure its long term sustainability. The Enginuity trustees believe that a prudent level of held reserves is £30-32m and any funds over that amount will be considered by the trustees for investment to further support Enginuity's charitable activities.

The Charity will hold free reserves to allow for the continuation of charitable work in the event that annual funding from the largest subsidiary (EAL) is unavailable as a result of business interruption, necessary investment or other circumstances.

The Charity also aims to hold reserves at least equal to its share of possible Section 75 liabilities related to the ITB pension fund (a multi-employer scheme of which Enginuity is a member). At the last available valuation (as of 31st March 2021), Enginuity's share of these liabilities amounted to £13.8m. To ensure that the charity has sufficient funds to address any further increase in pension liabilities or the risk of deficit payments following the triennial review which will take place during 2022 the trustees have agreed to take a conservative view and allow for an additional 20%, over and above this valuation, to be included in reserves.

In the unlikely event that the Charity should cease to operate, closure costs relating to staff liabilities and facilities costs have also been provided for. The Trustees have allowed for this figure in the calculation of reserves.

Finally, some of the Charity's reserves are invested for the long-term benefit but are exposed to short term risks. Given the volatile nature of almost all markets around the world, the Trustees feel that an additional reserve of 20% of the value of the investment fund is an appropriate amount at any given time.

At 31st March, free reserves were £36.604m (all reserves as per Note 21, less £25k of fixed asset reserves). This is £4.604m above the policy level, which the Board considers to be reasonable. The Board has committed some use of these reserves to projects in the year to 31st March 2023 as part of the annual planning cycle and will continue to review new business cases for work which furthers the charitable aims.

KEY MANAGEMENT PERSONNEL REMUNERATION POLICY

An annual benchmarking exercise is conducted which involves reviewing other organisations within the same/similar industries and additionally, the Charities and Public sectors. Recommendations are then made to the Remuneration and Pensions Committee where a final decision is made as to the total reward and remuneration package.

PENSION COMMITMENTS

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in the statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the statement of financial position. The assets of the plan are held separately from the company in independently administered funds.

Enginuity is a participating employer to a defined benefit scheme administered by ITB Pension Funds. A defined benefit scheme is a pension plan under which the company pays fixed pension to its employees. As a member of the multi-employer scheme where the assets and liabilities are not identifiable, Enginuity has accounted for the scheme as a defined contribution scheme to comply with the provisions of FRS 102. Pension contributions are charged to the consolidated Statement of Financial Activities so as to spread the regular cost of the pensions and related benefits over the employees' working lives.

The total cost to the company under both schemes for the year was £233,478 (2021 £251,000).

INVESTMENT POLICY AND PERFORMANCE

The Board's policy, reviewed annually, requires its investments to be managed actively in line with an agreed approach which ensures that appropriate levels of targeted risk is adopted and return is achieved.

The long-term investment return expectations from the portfolio are set as a total return of inflation plus 3.5% per annum, after expenses.

The performance of the portfolio is reviewed quarterly by the Investment Committee in conjunction with the Investment Managers. Market performance is monitored by Portfolio Manager Consultancy Limited who report to the Committee every quarter.

The Investment Fund generated an investment income of £792k (2021 £811k). The overall Investment Fund increased by £1,985k during 2021/22 (2021 gain of £4,707k).

The impact of world events has impacted markets and reduced the value of the investments in the first two quarters of 2022. As at the end of June, Enginuity's investment portfolio had reduced by £1,693k or just over 5%. This is within the bounds set by the Reserves Policy.

DIRECTORS AND OFFICERS LIABILITY INSURANCE

As permitted under the Companies Act 2006 and under the company's articles of association, the charitable company has maintained insurance in respect of directors' and officers' liabilities incurred in connection with the discharge of their duties.

FUNDRAISING

The charitable company did not partake in charitable fundraising activities requiring disclosure under S162A of the Charities Act 2011.

RISK REVIEW

The Audit Committee and Board has considered the major external business risks to which the group is exposed and where possible strategies have been developed to mitigate those risks. The Risk Register is regularly reviewed by the Audit Committee and strategic risks are reported to the Board. Investment risk is managed by the Investment Committee in conjunction with the group's investment manager and advisor.

- The uncertainty and impacts of the recovery of markets as a result of the pandemic and world events present a key risk to the Enginuity Group and this remains under monthly review by the Executive team.
- The potential for on-going change to skills infrastructure systems and processes could impact on the role of Enginuity and EAL.
- The increasing development by Enginuity of practical solutions underpinned by technology and data science is an area where new skills and capabilities need to be developed to meet the increasing demand and interest from employers.

Mitigating actions are in place against all strategic risks to help ensure the group remains financially healthy, and able to respond to changing external conditions.

FINANCIAL RISK MANAGEMENT

The Group and the charity company are exposed to a variety of financial risks, the most significant of which is investment price risk which arises from the volatility in the market prices of investments that are carried at fair values. The Group and the charity company manages exposures to price risk by monitoring the changes in the market price of the investments and, if required, diversifying the investment portfolio in accordance with sound investment policy.

World and national events will continue to have a major impact, all of which are being constantly reviewed and mitigated by the leadership team.

STATEMENT OF TRUSTEES (BOARD MEMBERS) RESPONSIBILITIES

The trustees (who are also directors of Enginuity for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

Company law/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 company law/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 these financial statements, the trustees are required to:

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

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act

ENGINUITY

TRUSTEES'/DIRECTORS' REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2022

2006/Charities Act 2011. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

STATEMENT OF TO DISCLOSURE TO OUR AUDITORS

In so far as the trustees are aware at the time of approving our trustees' annual report:

- There is no relevant information, being information needed by the auditor in connection with preparing their report, of which the group's auditor is unaware, and
- The trustees, having made enquiries of fellow directors and the group's auditor that they ought to have individually taken, have each taken all steps that he/she is obliged to take as a director to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

AUDITOR

In accordance with the Companies Act 2006, a resolution will be proposed at the General Meeting that Crowe U.K LLP will be reappointed as auditor to the charitable company for the ensuing year.

This report, which incorporates the Strategic Report, was approved by the Board on the 29/09/2022 and signed on its behalf by:



J Hackitt
Chair
Enginuity
Unit 2, The Orient Centre
Greycaine Road
Watford
WD24 7GP

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ENGINUITY
FOR THE YEAR ENDED 31 MARCH 2022**

Independent Auditor's Report to the Members of Enginuity

Opinion

We have audited the financial statements of Enginuity (the "charitable company") and its subsidiaries (the "group") for the year ended 31 March 2022 which comprise Consolidated Statement of Financial Activities, Consolidated Balance Sheet, Charity Balance Sheet, Consolidated Cash Flow Statement 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 Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 31 March 2022 and of the group's incoming resources and application of resources, including its income and expenditure 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 Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group 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 trustee's 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 charitable company'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 trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ENGINEUNITY (continued)
FOR THE YEAR ENDED 31 MARCH 2022**

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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion based on the work undertaken in the course of our audit

- the information given in the trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- the parent company has not kept adequate accounting records; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 17, the trustees (who are also the directors of the charitable company for the purposes of company law) 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 charitable company'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 charitable company 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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ENGINUIITY (continued)
FOR THE YEAR ENDED 31 MARCH 2022**

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud
Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006 together with the Charities SORP (FRS102) 2019. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company and the group for fraud. The laws and regulations we considered in this context for the UK operations were taxation and employment legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, and the Audit Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, designing audit procedures over income, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission and reading minutes of meetings of those charged with governance.

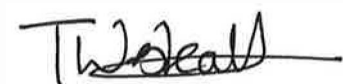
Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

ENGINEUNITY

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ENGINEUNITY (continued) FOR THE YEAR ENDED 31 MARCH 2022

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Tara Westcott

Senior Statutory Auditor

For and on behalf of

Crowe U.K. LLP

Statutory Auditor

4thFloor

St James House

St James Square

Cheltenham, GL50 3PR

Date: 17 October 2022

ENGINUITY

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (incorporating Income and Expenditure) FOR THE YEAR ENDED 31 MARCH 2022

INCOME AND EXPENDITURE

	Notes	2022 £'000	2021 £'000
Income			
<i>Other trading activities</i>			
Income from trading subsidiaries	3b	10,390	8,121
<i>Investment income</i>	8	792	811
<i>Charitable activities</i>			
Externally funded projects	3a	711	262
Other	3a	264	196
Total income		12,157	9,390
Expenditure on			
<i>Raising funds</i>			
Expenditure of trading subsidiaries	3b	4,215	3,311
Investment managers' fees		56	49
Total cost of raising funds		4,271	3,360
<i>Charitable activities:</i>			
Improving access to learning and encouraging people into careers in the sector		3,345	3,881
Promoting and representing the sector		690	371
Developing and supporting occupational standards and learning frameworks		1,246	1,188
Research into skills gaps and shortages		255	363
Other		833	700
Total charitable activities	7	6,369	6,503
Total expenditure		10,640	9,863
Net income/(expenditure) before gains on Investments		1,517	(473)
Net gains on investments	11	1,985	4,707
Net movements in funds		3,502	4,234
Total funds brought forward	21	33,127	28,893
Total funds carried forward	21	36,629	33,127

All activities are continuing.

The notes on pages 28 to 44 form part of the accounts.

ENGINEUITY

CONSOLIDATED BALANCE SHEET

AT 31 MARCH 2022

(Company Number 02324869)

	Notes	2022 £'000	2021 £'000
FIXED ASSETS			
Tangible assets	10	26	105
Investments	11	32,670	31,686
		<u>32,696</u>	<u>31,791</u>
CURRENT ASSETS			
Stocks	13	32	32
Debtors	14	1,864	1,695
Bank and cash balances		4,901	2,483
		<u>6,797</u>	<u>4,210</u>
CURRENT LIABILITIES			
Creditors: Amounts falling due within one year	15	(1,365)	(1,474)
Provisions	17	(1,499)	(1,375)
		<u>3,933</u>	<u>1,361</u>
NET CURRENT ASSETS			
TOTAL ASSETS LESS CURRENT LIABILITIES			
		<u>36,629</u>	<u>33,152</u>
CREDITORS: amounts falling due after one year	16	0	(25)
NET ASSETS	22	<u>36,629</u>	<u>33,127</u>
FUNDS AND RESERVES			
Unrestricted reserves	21	<u>36,629</u>	<u>33,127</u>

The financial statements were approved and authorised for issue by the Board on the 29/09/2022 and were signed below on its behalf by:


J Hackitt
 Chair

The notes on pages 28 to 44 form part of the accounts.

ENGINUIITY

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2022

	Notes	2022 £'000	2021 £'000
Cash provided by / (used by) operating activities	a)	702	(1,122)
Cash flows from investing activities			
Investment income received		792	811
Payments to acquire investments		(36)	(527)
Cash withdrawn from investments		1,000	2,001
Receipts from the sale of investments		36	500
Cash provided by investing activities		1,792	2,785
Cash flow from financing activities			
Repayments of finance leases in the year		(81)	(81)
Interest paid on finance leases		5	5
Cash not provided by financing activities		(76)	(76)
Net increase in cash		2,418	1,587
Cash and cash equivalents at start of year		2,483	896
Cash and cash equivalents at end of year		4,901	2,483
Analysis of cash and cash equivalents			
Cash at bank and in hand		4,901	2,483

Refer to note b) for the analysis of changes in net debt.

ENGINEUITY

CHARITY BALANCE SHEET

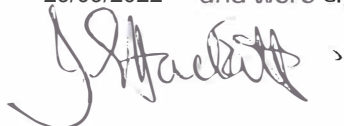
AT 31 MARCH 2022
2324869)

(Company Number

	Notes	2022 £'000	2021 £'000
FIXED ASSETS			
Tangible assets	10	26	105
Investments	11	32,670	31,686
Investment in subsidiaries	12	-	-
		<u>32,696</u>	<u>31,791</u>
CURRENT ASSETS			
Debtors	14	4,164	520
Bank and cash balances		552	2,483
		<u>4,716</u>	<u>3,003</u>
CURRENT LIABILITIES			
CREDITORS: amounts falling due within one year	15	(892)	(2,377)
NET CURRENT ASSETS / (LIABILITIES)			
		<u>3,824</u>	<u>626</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
		<u>36,520</u>	<u>32,417</u>
CREDITORS: amounts falling due after one year			
	16	0	(25)
NET ASSETS			
	22	<u>36,520</u>	<u>32,392</u>
FUNDS AND RESERVES			
Unrestricted funds			
	21	<u>36,520</u>	<u>32,392</u>

In accordance with section 408 of the Companies Act 2006, a separate Statement of Financial Activities for the charity has not been presented. The result for the charity was a surplus £1,917k (2021: surplus £4,194k).

The financial statements were approved and authorised for issue by the Board on the 29/09/2022 and were signed below on its behalf by:



J Hackitt
Chair

The notes on pages 28 to 44 form part of the accounts.

ENGINEUITY

CONSOLIDATED CASH FLOW STATEMENT (continued)

FOR THE YEAR ENDED 31 MARCH 2022

	2022 £'000	2021 £'000
a) Reconciliation of net incoming resources to net cash inflow from operating activities		
Net movement in funds	3,502	4,234
Investment income	(792)	(811)
Depreciation	79	82
Decrease in creditors	(59)	(119)
(Increase)/Decrease in debtors	(169)	429
Net gain on investments	(1,985)	(4,707)
Movement in provisions	126	(230)
Net cash provided/(used by) by operating activities	702	(1,122)

	At beginning of the year £'000	Cash flows £'000	Non cash movements £'000	At end of the year £'000
b) Analysis of changes in net debt				
Cash and cash equivalents	2,483	2,418	-	4,901
	2,483	2,418	-	4,901
Finance lease obligations due in 1 year	(25)		-	(25)
Finance lease obligations due in more than 1 year	(75)	75	-	-
	2,383	2,493	-	4,876

The notes on pages 28 to 44 form part of these accounts.

1. GENERAL INFORMATION

Enginuity is a charitable company, limited by guarantee, incorporated in England and Wales under the Companies Act 2006. The address of the registered office is shown on the Advisors page. The nature of the charity's operations and its principal activities are outlined in the Trustees'/Directors' Report.

2. ACCOUNTING POLICIES

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP 2nd Edition (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Enginuity meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes. All of the expenditure incurred by the Enginuity is for charitable purposes.

The presentation currency and functional currency of the Charity is pounds sterling, and is rounded to the nearest thousand pounds.

Parent charitable company disclosure exemptions

In preparing the separate financial statements of the parent charitable company, advantage has been taken of the following disclosure exemptions available in FRS 102:

- No cash flow statement has been presented for the parent charitable company;
- Disclosures in respect of the parent charitable company's financial instruments have not been presented as equivalent disclosures have been provided in respect of the Group as a whole;
- No disclosure has been given for the aggregate remuneration of the key management personnel of the parent charitable company as their remuneration is included in the totals for the Group as a whole.

Going concern

The directors have assessed whether the use of the going concern basis is appropriate and have made this assessment based on forecasts to the end of March 2024. As part of their assessment the directors have considered the impact of Covid-19 and market conditions. The directors have concluded that there is a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and continue as a going concern, with cash balances remaining healthy and positive throughout the forecast period. The directors do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

Financial statements

The financial statements consolidate the results of Enginuity and its subsidiaries on a line by line basis. Please see accounting note 3 for further details.

2. ACCOUNTING POLICIES (continued)

Incoming resources

Income represents the amount receivable for goods and services for the period but excludes value added tax and trade discounts.

All income is recognised once the charitable group has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Awarding Organisation Income is recognised at the registration of the learners i.e. up front and before all learners have completed their qualifications. This is in line with our contractual commitments.

Income from investments represents interest from bank deposits. Interest on funds held on deposit is recognised when receivable and the amount can be measured reliably by the charity, this is normally upon notification of the interest paid or payable by the bank.

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due. This is normally upon notification by our investment advisor of the dividend yield of the investment portfolio.

Gift aid

The charity owns the whole of the issued ordinary share capital of Excellence Achievement & Learning Limited, and Enginuity Skills Limited (see note 12).

Enginuity is a registered charity and as such is entitled to certain tax exemptions on income and profit from investments and surpluses on trading activities carried out in the furtherance of the Charity's primary objectives if these profits and surpluses are applied solely for charitable purposes. The UK subsidiary companies give all their taxable profits to the Charity, normally resulting in no liability to corporation tax.

Gift aid is recognised on the accrual's basis in line with the deed of covenant.

Resources expended

Resources expended are included in the Statement of Financial Activities on an accrual's basis, inclusive of any VAT which cannot be recovered. Certain expenditure is directly attributable to specific activities and has been included in these cost categories. Support costs which cannot be directly allocated are apportioned across the categories on the basis of an estimate of the proportion of time spent by staff on those activities.

Costs of raising funds are costs incurred in attracting voluntary income and those incurred in trading activities that raise funds.

Governance costs form part of support costs for the charity. These include the external audit fee and an assessment of the time spent undertaking company secretarial responsibilities.

All expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

Interest expenses are charged to the Statement of Financial Activities over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2022

2. ACCOUNTING POLICIES (continued)

Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on a reducing balance basis.

Depreciation is provided on the following basis:

	Years
Office furniture	10
Equipment	3

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

Fixed asset investments

Investments are stated at market value as at 31 March 2022. Realised and unrealised gains and losses are released or charged to the consolidated Statement of Financial Activities in the year in which they arise.

The investment in subsidiaries is stated at the lower of cost and net asset value.

Stocks

Saleable publications are valued at the lower of production cost and net realisable value.

Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Cash

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2. ACCOUNTING POLICIES (continued)

Provision for Qualification Costs

Provisions

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

Financial Instruments

Financial assets

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

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the consolidated Profit and Loss Account.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

Financial liabilities and equity

Financial liabilities and equity 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.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Grants payable

Grants payable to other organisations are agreed as part of the Business Planning process. The cost is charged to the Statement of Financial Activities in the period to which the grant relates.

Fund accounting

The general reserve (unrestricted funds) comprises of those monies which may be used towards furthering the charitable objects. There was a net loss relating to restricted funds which has been covered by a movement from the unrestricted general funds.

Leased assets: Lessee

Where assets are financed by leasing agreements that give rights approximating to ownership (finance leases), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable over the term of the lease. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to profit or loss over the shorter of estimated useful economic life and the term of the lease.

Finance lease payments are analysed between capital and interest components so that the interest element of the payment is charged to profit or loss over the term of the lease and is calculated so that it represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

All other leases are treated as operating leases. Their annual rentals are charged to profit or loss on a straight-line basis.

2. ACCOUNTING POLICIES (continued)**Pensions**

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in the statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the statement of financial position. The assets of the plan are held separately from the company in independently administered funds.

Enginuity is a participating employer to a defined benefit scheme administered by ITB Pension Funds. A defined benefit scheme is a pension plan under which the company pays fixed pension to its employees. As a member of the multi-employer scheme where the assets and liabilities are not identifiable, Enginuity has accounted for the scheme as a defined contribution scheme to comply with the provisions of FRS 102. Pension contributions are charged to the consolidated Statement of Financial Activities so as to spread the regular cost of the pensions and related benefits over the employees' working lives.

Judgements and key areas of estimation uncertainty

In preparing these financial statements, the trustees have had to make the following judgements:

Provision for Qualification Costs

To determine the value of registrations and framework costs to accrue to the statement of financial position at year end. This decision depends on an assessment of the amount of outstanding qualifications learners have for registered courses. It is considered that the current provision is adequate to support learners achieve their qualifications within 5 years.

Leases

Determine whether leases entered into by the company 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.

Impairment

Determine whether there are indicators of impairment of the company's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

Tangible fixed assets

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on the number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

3. INCOMING RESOURCES AND NET MOVEMENT IN FUNDS**a) Analysis of income**

The group has only one class of activity. The majority of group activities are conducted in the United Kingdom.

Excellence Achievement & Learning Limited (EAL) conducted business with centres outside the UK totalling £61,799 in the year (2021: £105,404).

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2022

Analysis of Income (continued)

Externally funded projects income represents the contribution to Enginuity for staff time spent on projects funded by the UK government and other stakeholders, this income totalled £711,164 in the year (2021: £231,164).

Other income represents the charge to Enginuity customers for services provided by the charity. This relates to income generated through certification of learners, and development of National Occupation standards for devolved nations. This income totalled £264,272 in the year (2021: £196,000).

Income from trading subsidiaries represents the turnover of the charity's trading subsidiaries included in Enginuity's accounts.

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2022

3. INCOMING RESOURCES AND NET MOVEMENT IN FUNDS (CONTINUED)

b) Results of trading subsidiaries

The charity owns 100% of the allotted ordinary share capital of the following companies which are incorporated in the UK:

- Excellence Achievement & Learning Limited (EAL) is the awarding organisation for vocational qualifications primarily in the engineering sector.
- Enginuity Skills Limited delivers certain contracts and commitment for third parties in the engineering and manufacturing sectors which Enginuity the charity may not be able to enter into itself.

A summary of the trading results included in the consolidated accounts is shown below.

Audited accounts for each subsidiary entity have been filed with the Registrar of Companies.

	EAL £'000	Enginuity Skills Limited £'000	2022 Total £'000	2021 Total £'000
Income:				
Income	10,269	121	10,390	8,121
Total Income:	<u>10,269</u>	<u>121</u>	<u>10,390</u>	<u>8,121</u>
Expenditure:				
Staff costs	2,808	11	2,819	2,900
Other operating charges	4,410	82	4,492	4,208
Total Expenditure:	<u>7,218</u>	<u>93</u>	<u>7,311</u>	<u>7,108</u>
Net surplus/(deficit)	<u>3,051</u>	<u>28</u>	<u>3,079</u>	<u>1,013</u>
Gift Aid to Enginuity	(3,051)	(28)	(3,079)	(973)
	<u>nil</u>	<u>nil</u>	<u>nil</u>	<u>40</u>

ENGINEUITY

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 MARCH 2022

4. STAFF COSTS Group

	2022 £'000	2021 £'000
Wages and salaries	4,983	4635
Social security charges	520	509
Other pension costs	234	251
	<u>5,737</u>	<u>5,395</u>

Included within wages and salaries are agency staff costs of £nil (2021 £27,976) for the year. During the year the group made termination payments of £254,566 (2021: £214,319).

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2022

5. STAFF COSTS (continued)

The average monthly number of persons employed by the Group during the year was as follows:

	2022 No.	2021 No.
By the Group		
Training services	74	87
Support services	23	16
	<u>97</u>	<u>103</u>

Charity

The parent charity's staff costs are as follows:

	2022 £'000	2021 £'000
Wages and salaries	2,492	2,351
Social security charges	274	279
Other pension costs	131	103
	<u>2,897</u>	<u>2,733</u>

The average monthly number of persons employed during the year by the parent charity was as follows:

	2022 No.	2021 No.
Training services	16	12
Support services	23	26
	<u>39</u>	<u>38</u>

Emoluments of employees

The number of employees whose emoluments as defined for taxation purposes exceeded £60,000 per annum during the period was as follows:

	2022 No.	2021 No.
£60,001 - £70,000	11	8
£70,001 - £80,000	2	3
£80,001 - £90,000	2	3
£90,001 - £100,000	3	-
£100,001 - £110,000	1	-
£110,001 - £120,000	1	1
£120,001 - £130,000	-	1
£140,001 - £150,000	2	1
£150,001 - £160,000	-	1
£190,001 - £230,000	1	-
£220,001 - £230,000	-	1
Total	<u>23</u>	<u>19</u>

The total of key management personnel compensation for the year was £818,718 (2021 £789,901).

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2022

5. STAFF COSTS (continued)

Trustees' remuneration

During the year, in accordance with the Articles of Association of the charity, payments were made to the Chairman totalling £37,273 (2021 £35,000). The total amount of expenditure reimbursed to three Board members in respect of expenses incurred on the charity's activities was £992 (2021:nil). No other trustees received any remuneration (2021: £Nil).

6. NET INCOMING RESOURCES

Net incoming resources are arrived at after charging the following:

	2022 £'000	2021 £'000
Auditor's remuneration		
- Audit services	22	40
- Tax compliance services	51	7
- Other non-audit services	35	47
Operating lease rentals-motor vehicles	86	17
Depreciation	79	82
	<u> </u>	<u> </u>

Auditors' remuneration includes £4,400 in respect of the audit of the parent charity (2021: £21,000) and £17,600 in respect of the audit of the subsidiary undertakings (2021: £19,000). Fees in relation to non-audit services were £35,000 (2021 £46,901).

7. EXPENDITURE ON CHARITABLE ACTIVITIES

	Staff No's	Direct costs £'000	Support costs £'000	2022 Total costs £'000
Improving access to learning	6	1,880	1,465	3,345
Promoting and representing the sector	1	435	255	690
Developing and supporting occupational standards and learning frameworks	4	136	1,110	1,246
Research into skills gaps and shortages	1	-	255	255
Other charitable costs	-	758	75	833
	<u>12</u>	<u>3,209</u>	<u>3,160</u>	<u>6,369</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2022

7. EXPENDITURE ON CHARITABLE ACTIVITIES
(CONTINUED)

	Staff No's	Direct costs £'000	Support costs £'000	2021 Total costs £'000
Improving access to learning	8	2,429	1,452	3,881
Promoting and representing the sector	1	189	182	371
Developing and supporting occupational standards and learning frameworks	5	280	908	1188
Research into skills gaps and shortages	2	-	363	363
Other charitable costs	-	625	75	700
	<u>16</u>	<u>3,523</u>	<u>2,980</u>	<u>6,503</u>

Support costs have been allocated across the charitable activities based on average full-time equivalent headcount in the charity, as this basis is consistent with the use of the resources. Governance costs are included within support costs and totalled £63,691 (2021 £75,000) for the period. Governance costs consist of Chairman's remuneration, group's audit fees and expenses reimbursed to Board members in respect of expenses incurred on the charity's activities.

8. INVESTMENT INCOME

	2022 £'000	2021 £'000
Income from fixed asset investments	792	811
	<u>792</u>	<u>811</u>

9. TAXATION

Engineuity is a registered charity and therefore is not liable for income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

10. TANGIBLE FIXED ASSETS

	Office furniture & equipment £'000	Total £'000
Group Cost		
At 1 April 2021	1,026	1,026
At 31 March 2022	<u>1,026</u>	<u>1,026</u>
Depreciation		
At 1 April 2021	921	921
Charge in year	79	79
At 31 March 2022	<u>1,000</u>	<u>1,000</u>
Net Book Value		
At 31 March 2022	<u>26</u>	<u>26</u>
At 31 March 2021	<u>105</u>	<u>105</u>

ENGINUITY

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 MARCH 2022

10. TANGIBLE FIXED ASSETS (continued)

	Office furniture & equipment £'000	Total £'000
Charity		
Cost		
At 1 April 2021	724	724
At 31 March 2022	724	724
Depreciation		
At 1 April 2021	619	619
Charge in year	79	79
At 31 March 2022	698	698
Net Book Value		
At 31 March 2022	26	26
At 31 March 2021	105	105

The net book value of tangible fixed assets held under a finance lease for the group and the charity was £25,064 (2021: £100,735).

11 FIXED ASSET INVESTMENTS

	£'000 COIF Charity Funds	£'000 BNY Mellon	2022 £'000	2021 £'000
Group and Charity				
Balance 1 April 2021 at market value	22,864	5,686	28,550	23,817
Additions	36	0	36	527
Disposals	(36)	0	(36)	(500)
Unrealised gain on revaluation	1,985	0	1,985	4,707
			30,535	28,551
Cash awaiting investment	2,135	0	2,135	3,135
Balance at 31 March 2021 at market value			32,670	31,686
Historical cost of investments			30,254	31,217

The net gain on revaluation was £1,985k (2021 £4,707k).

Enginuity has investments in the COIF Charity Funds totalling £24.5M equivalent to 1,277,292.38 units at year end. The investment is only available to charities within the meaning of section 1(1) of the Charities Act 2011.

ENGINUITY

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 MARCH 2022

11. FIXED ASSET INVESTMENTS (continued)

	2022 £'000	2021 £'000
COIF Charities investment fund income units	24,849	22,864
COIF Charities deposit fund	2,135	3,135
BNY Mellon Real Return fund Newton Inst. Shares 1 (inc)	5,686	5,687

12. INVESTMENTS IN SUBSIDIARIES

	2022 £'000	2021 £'000
Charity		
Shares at cost	51	5,980
Long term loan	-	2,771
	51	8,751
Impairment provision		
Balance at 1 April 2021 and 31 March 2022	(51)	(8,751)
	-	-

The impairment provision is to write down Enginuity investment in its subsidiary companies.

The charity owns 100% of the allotted ordinary share capital of the following subsidiaries, all of which are registered in England and Wales:

Excellence Achievement & Learning Limited (company registration no 02700780)

A company registered in England and Wales which provides the assessment systems for awarding vocational qualifications primarily in the engineering sector and acts as the awarding body for those qualifications.

Enginuity Skills Limited (company registration no 12172530)

A company registered in England and Wales whose principal activity is the provision of projects for specific commercial partners within the engineering sector.

MetSkill Limited (company registration no 02465674)

A company registered in England and Wales whose principal activity is the provision of apprentice training services to improve performance of businesses in the engineering and manufacturing sectors. The company ceased trading on 31 July 2020.

National Skills Academy for Manufacturing Limited (company registration no 02707095)

A company registered in England and Wales which develops and implements national standards for manufacturing skills delivery. The company ceased active trading 31 March 2020.

Training Properties Limited (company registration no 02311840)

A company registered in England and Wales which operates as a property manager within Great Britain. The company ceased trading 18 June 2018.

Training Publications Limited (company registration no 02700784)

A company registered in England and Wales which operates as a publishing and printing operation within Great Britain and ceased active trading on 31 March 2005.

All the subsidiaries, except for Excellence Achievement & Learning Limited and Enginuity Skills Limited, are dormant.

The registered office of all of the above subsidiaries is Unit 2, The Orient Centre, Greycaine Road, Watford, WD24 7GP.

ENGINUITY

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 MARCH 2022

13. STOCKS	Group		Charity	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Resalable publications	32	32	-	-
	<u>32</u>	<u>32</u>	<u>-</u>	<u>-</u>
14. DEBTORS	Group		Charity	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Amounts falling due within one year				
Trade debtors	1,294	927	43	-
Amounts owed by subsidiary undertakings	-	-	3,735	-
Other debtors	-	82	-	81
Prepayments	344	481	160	234
Accrued income	226	205	226	205
	<u>1,864</u>	<u>1,695</u>	<u>4,164</u>	<u>520</u>

Bad debt recognised for the group during the year as an expense was £13,362 (2021: £200).

15. CREDITORS: amounts falling due within one year	Group		Charity	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Trade creditors	318	383	256	296
Taxation and social security	448	358	340	358
Other creditors	56	131	32	51
Accruals	494	326	252	224
Finance lease liabilities	25	75	8	75
Deferred income (note 18)	24	201	4	201
Amount owed to subsidiary undertakings	-	-	-	1,172
	<u>1,365</u>	<u>1,474</u>	<u>892</u>	<u>2,377</u>

During the year intercompany loan balances were written off to the value of £Nil (2021 £Nil). All other balances are interest free and repayable on demand.

16. CREDITORS: amounts falling due after one year	Group		Charity	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Finance lease liabilities	-	25	-	25
	<u>-</u>	<u>25</u>	<u>-</u>	<u>25</u>

ENGINUITY

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 MARCH 2022

17. PROVISION FOR LIABILITIES

	Group		Charity	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Balance at 1 st April	1,375	1,605	-	-
Amount released to costs	(1,375)	(1,605)	-	-
Amount provided	1,499	1,375		
 Balance at 31 March	 1,499	 1,375		

This provision represents the costs anticipated to support students who have registered with EAL and still have units of learning or examinations to complete to achieve their qualifications, over the next 5 years.

In the accounts for the year to 31 March 2021, this liability was shown as Deferred Income. It was reclassified in the year to 31 March 2022.

18. DEFERRED INCOME

	Group		Charity	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Balance at 1 April	201	201	201	201
Amount released to income	(201)	-	(201)	-
Amount deferred in the period	24	-	4	-
 Balance at 31 March	 24	 201	 4	 201

Deferred income of £23,500 (2021: £200,549) relates to externally funded projects both from customers within and outside of UK with deliverables between 1 to 3 years.

19. FINANCE LEASE AGREEMENTS

The group had the following finance leases in relation to IT equipment:

	2022	2021
	£'000	£'000
Due in:		
Less than one year	25	75
One to five years	-	25
	25	100

20. OBLIGATIONS UNDER OPERATING LEASE AGREEMENTS

At 31 March 2022 the group has future minimum lease commitments as follows:

	2022	2021
	£'000	£'000
Expiry date		
Less than one year	20	244
One to five years	10	318
	30	562

ENGINEUNITY

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 MARCH 2022

21. FUNDS AND RESERVES

	2022 £'000	2021 £'000
General unrestricted reserve		
Group		
At 1 April	33,127	28,893
Realised and Unrealised gains on investments	1,985	4,707
Income received	12,157	9,390
Expenditure	(10,640)	(9,863)
	<u>36,629</u>	<u>33,127</u>
At 31 March	<u>36,629</u>	<u>33,127</u>
Charity		
At 1 April	32,392	28,198
Realised & Unrealised gains on investments	8,787	9,503
Income Received	1,767	1,238
Expenditure	(6,426)	(6,547)
	<u>36,520</u>	<u>32,392</u>
At 31 March	<u>36,520</u>	<u>32,392</u>

22. NET ASSETS/LIABILITIES

	Group		Charity	
	Unrestricted funds 2022 £'000	Unrestricted funds 2021 £'000	Unrestricted funds 2022 £'000	Unrestricted funds 2021 £'000
Tangible fixed assets	26	105	26	105
Investments	32,670	31,686	32,670	31,686
Current assets	6,797	4,210	4,716	3,003
Current liabilities	(1,365)	(1,475)	(892)	(2,377)
Non-current liabilities	-	(25)	-	(25)
Provisions	(1,499)	(1,374)	-	-
	<u>36,629</u>	<u>33,127</u>	<u>36,520</u>	<u>32,392</u>

NOTES TO THE FINANCIAL STATEMENTS
(continued) FOR THE YEAR ENDED 31 MARCH 2022

23. FINANCIAL ASSETS AND LIABILITIES	2022	2021
	£'000	£'000
Group		
Financial assets measured at fair value through profit or loss	30,535	28,551

Financial assets measured at fair value through profit or loss include the investments.

24 LIABILITY OF MEMBERS

The charity is constituted as a company limited by guarantee. In the event of the charity being wound up members are required to contribute an amount not exceeding £1.

25. RELATED PARTY TRANSACTIONS

Due to the nature of the charity, most trustees will be associated with organisations which may have a financial relationship with the charity. Opportunity is given for disclosure of any financial or other interest prior to any Board discussions.

All transactions involving organisations in which a member of the Key Management may have an interest are conducted at arm's length and in accordance with Group's financial regulations and normal procurement procedures.

During the year the group incurred cost in relation to consultancy services amounting to £8 (2021: £1,015) provided by Anthony Watson. The consultant is a close family member of the Group's Chief Executive Officer.

During the year the group incurred cost in relation to consultancy services amounting to £1,125 (2021: £0) provided by Rob Townsend. The consultant is a close family member of Group's Chief Executive Officer.

During the year the group incurred cost in relation to services amounting to £17,500 (2021: £30,675) from Get My First Job. One of a number of shareholders of Get My First Job is a close family member of the EAL's Chief Operating Officer.

At the year end there were no balances outstanding to or from related parties.

Accounts



ENGINUITY
(FORMERLY SCIENCE, ENGINEERING AND MANUFACTURING
TECHNOLOGIES ALLIANCE)
REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

Company Number: 02324869
Charity Number: 1000328

ENGINEUNITY

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

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ENGINEUNITY

ADVISORS

FOR THE YEAR ENDED 31 MARCH 2021

Auditor

Grant Thornton UK LLP
Victoria House
199 Avebury Boulevard
Milton Keynes
MK9 1AU

Registered Office

Unit 2, The Orient Centre
Greycaine Road
Watford
WD24 7GP

Investment Managers

CCLA
Senator House
85 Queen Victoria Street
London
EC4V 4ET

BNY Mellon Fund Managers Limited
The Bank of New York Mellon Centre
160 Queen Victoria Street
London
EC4V 4LA

Board Members

Dame J Hackitt DBE (Chair)
M Evans
S Hunter
J Lopes
S Pamplin
M Tarry
I Waddell (resigned 11 August 2020)
P Birt
S Sandle
K Boswell OBE
J Wood
V Saward
P Perera
D Meredith (appointed 10 December 2020)
A Burke (appointed 24 September 2020)

Investment Advisor

Portfolio Manager Consultancy Ltd
Woodwater House
Pynes Hill
Exeter
EX2 5WR

Chief Executive

A Watson

Banker

Barclays Bank plc
62/64 High Street
Watford
WD17 2BT

Solicitors

DLA Piper UK LLP
1 St. Peter's Square
Manchester
M2 3DE
United Kingdom

Gowling WLG (UK) LLP
4 More London
Riverside
London
SE1 2AU

REPORT OF THE CHAIR
FOR THE YEAR ENDED 31 MARCH 2021

It's been a year unlike any other, and I've been proud of the way in which the team at Enginuity has risen to the challenges – and indeed, the opportunities – the global pandemic has created. COVID-19 has laid bare the continuing importance to the UK of investing in engineering and manufacturing skills. The work undertaken by Enginuity in the last year will help to secure the skills base so that our country can meet the great challenges still to come, from climate change to our ageing society.

The way the team at Enginuity pulled together in the early stages of the pandemic to ensure colleagues were able to work in a remote, COVID-safe way was highly impressive. The work already completed to implement new IT infrastructure paid dividends, with the necessary systems and hardware already in place to support this being done at pace. Enginuity's people remain our number one priority and this has been demonstrated through the additional mental health training and key support provided to the team during the pandemic.

Ensuring that engineering and manufacturing speaks with one loud voice on skills is vital, and that's why I'm pleased to see how Enginuity has worked in partnership with other leading organisations across the sector. Enginuity has played a key coordinating role in the creation of the new cross-sectoral National Manufacturing Skills Task Force and supporting the work in the North West of England to bring the Made Smarter skills recommendations and industrial digitalisation to life is ongoing. The new partnership with the High Value Manufacturing Catapult will facilitate the sharing of expertise and knowledge at the highest, most cutting-edge skill levels.

With most of the engineers of 2030 already in the workforce, the work being driven by Enginuity to enable our people to up and reskill is of the highest importance. The new Engage online learning platform, developed at pace during the pandemic, is already helping hundreds of engineers to acquire knowledge of emerging technologies that will serve them well in the future. Engineering skills are highly valued across our society and economy, which is why Enginuity developed a new career converter to help engineers to move into critical vaccine manufacturing roles – a good example of our emerging expertise in data science.

I am proud that, in spite of all of the challenges posed by the pandemic, in the last year Enginuity has invested over a million pounds in activities which deliver our charitable objective – “To promote and advance the education, training and skills development of persons employed or intending to be employed in Industry (as defined in the Articles of Association) and commerce”. From the award-winning Skills Miner game seeking out young people's inner engineer to our support for the Disconnected report on digital skills, Enginuity remains strongly committed to our charitable purpose and we will continue to reinvest profits from our commercial activities in ways which meet that purpose.

As priorities changed through the pandemic and new opportunities emerged, there were hard decisions to be taken elsewhere in deciding to cease other activity. Closing the Semta Apprenticeship Service (Metskill) was a sad moment and some very capable, dedicated people left the Enginuity Group as a result. I'm proud of how hard the trustees and the Enginuity team worked to ensure that all learners who wanted help in finding new provision received it, with the trustees making sure the needed investment was in place.

There were changes at board level within Enginuity, and I would like to extend my thanks to Ian Waddell of CSEU, who departed in 2020/21 while welcoming his CSEU colleague, Tony Burke, to the board – it is very pleasing that the relationship between Enginuity and CSEU will continue to flourish as a result of Tony's appointment. Daniel Meredith of GKN Aerospace has joined the board too and will bring crucial insight and expertise from that sector.

From board level down and through the whole Enginuity team, I know how hard everybody has worked during the pandemic. I am sure that this work will pay dividends in the coming years, with Enginuity and the wider Group now well-placed to support the engineering and manufacturing sectors through the recovery from COVID-19. I want to place on record my thanks to everyone for their efforts – I look forward to working with you all in 2021/22 as we help Enginuity, engineering and manufacturing, and our wider society to Build Back Better.



Dame Judith Hackitt DBE
Chair, Enginuity Group

REFERENCE AND ADMINISTRATIVE DETAILS

ENGINUITY ("Semta") is a company, limited by guarantee (company number 02324869) and does not have share capital, which is incorporated in England and Wales under the Companies Act 2006. It is a registered charity (charity number 1000328) governed by its memorandum and articles of association. The charity owns 100% of the allotted ordinary share capital of five trading subsidiaries.

Following a comprehensive strategic review Semta changed its name to Enginuity during 20/21. The new name and associated positioning reflects the approach to using data and digital technologies and capabilities to extend the organisation's charitable reach and impact.

The members of the Board who held office during the year were:

Dame J Hackitt DBE (Chair)

M Evans²

S Hunter

J Lopes

S Pamplin⁶

M Tarry^{1&2}

I Waddell¹ Resigned on the 11 August 2020

P Birt^{3&1}

S Sandle

K Boswell OBE

V H Saward⁵

J Wood

P Perera

A Burke Appointed on the 24 September 2020

D Meredith Appointed on the 10 December 2020

- 1 Member of the Investment Committee
- 2 Member of the Audit Committee
- 3 Member of the Remuneration and Pensions Committee
- 4 Member and Chairman of the Audit Committee
- 5 Member and Chairman of the Investment Committee
- 6 Member and Chairman of the Remuneration and Pensions Committee

- B M Dunlop was appointed as Chairman of the Audit Committee, but is not a member of the Board.

The Chief Executive, professional advisors and registered office of the charity are listed on page 1.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Charity is governed by a Board of employer and trade union representatives. The members of the Board are trustees of the charity and also directors for the purposes of company law.

The Board meets quarterly to review progress against the agreed business plan and agree on future strategy. Responsibility for the management of the business is delegated to the Chief Executive.

There are four committees which submit reports to the full Board:

- Investment Committee
- Audit Committee
- Remuneration and Pensions Committee
- Quality Assurance Committee

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Two further sub committees of the Board meet as and when required with all members of the Board participating as appropriate. A Board Standing Committee has delegated authority to approve expenditure and contracts on behalf of the Board and the Nominations Committee considers appointments to the Board and to the role of Chief Executive.

As directors of the company, the Board members are responsible for overseeing the company's business in a manner consistent with its charitable objectives. They are also guarantors to the company.

The key subsidiaries are Excellence Achievement & Learning Limited (EAL - a vocational awarding organisation) and Metskill Limited (which was an apprentice training organisation). On the 29th March 2019, the Board members made the decision to cease apprenticeship training provision. This led to trading activities of Metskill Limited (SEMTA Apprenticeship Service) ceasing during 2020 and ultimately lead to the winding up of the company.

The key internal financial control procedures are summarised as follows:

Control environment:

There is a clear organisational structure with well-defined lines of responsibility and delegation of appropriate levels of authority.

Risk management:

Business strategy and business plans are reviewed by the Board. Detailed appraisals are undertaken and financial implications evaluated prior to all capital expenditure and projects. Risk assessments are considered by the Audit Committee and the Board at each meeting.

The impact of COVID-19 has been taken into account on structuring and running Enginuity's day to day operations.

Financial Reporting:

A comprehensive system of budgets and forecasts is in place, with quarterly monitoring and reporting of actual results against targets to the Board.

Control Procedures and Monitoring Systems:

Authority levels, procedures and other systems of internal financial control are documented, applied and subject to Internal Audit and review by the Audit Committee, which is chaired by a Group Company Board member, includes at least one additional Board member from a group company and has other members who are suitably qualified representatives from the industry sector. The Audit Committee meets twice each year with the external auditors to discuss the audit plan and the results of their audit work. The auditor can meet the Audit Committee in private session as part of this process.

Investment:

Investment management is delegated to professional investment management firms CCLA and BNY Mellon Fund Managers Limited, supported by an independent advisor Portfolio Manager Consultancy Ltd. The Investment Committee's role, chaired by an Enginuity Board Member and supported by members who are suitably qualified, is to review the performance of the investment managers and make recommendations to the Board on investment policy.

Remuneration:

Senior executive remuneration is governed by the Remuneration and Pensions Committee which is chaired by an Enginuity Board member and has members who are suitably qualified representatives from industry.

Appointment of Board Members:

The appointment of Board members, for a maximum of three terms of three years, is made by members on the recommendation of the Nomination Committee.

New Board members undergo an induction to brief them on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, Enginuity's strategy and recent financial performance and the Committees and decision making process. Board members are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

PUBLIC BENEFIT

As a registered charity, Enginuity operates for the public benefit. As an organisation, we believe that one engineer can change their world and ours, given the opportunity.

Enginuity provides such opportunity through the creation of practical skills solutions for engineering employers and for individuals who want to see and develop the skills they need to succeed. We do this through the use of unmatched expertise and data.

Enginuity promotes and advances the education, training and skills development of individuals employed within the engineering sector and those wishing to become employed within the sector.

Enginuity provides public benefit by:

- Supporting Engineering and Manufacturing to drive a positive and growing contribution from the sector both in terms of jobs and contribution to GDP
- Supporting employers in identifying future skills requirements and developing or sourcing appropriate education and skills solutions to upskill and reskill the existing workforce thereby maintaining people in employment for longer whilst also promoting the sector as an attractive and worthwhile career
- Ensuring that individuals and employers can access high quality engineering skills training programmes, assessment and validation to keep their skills and competency relevant, up-to-date and evidenced
- Inspiring individuals with latent talent who may not have considered engineering and help individuals already interested in a career in engineering to understand their potential and be given opportunities for development and progression
- Ensuring that ethics and safety of the public is integrated into all training both directly and through partners to create the right environment for and build trust in engineers to tackle some of society's most pressing issues such as climate change."

Enginuity's purpose is built upon a core value of creating no harm and the beneficiaries of achieving the purpose are individual engineers, engineering employers, future engineers and the wider society.

In agreeing this statement of public benefit, the Board confirm they have paid due regard to the Charity Commission guidance. The charity's activities and achievements are set out below.

OBJECTIVES AND ACTIVITIES

The objectives and mission of the charity are to proactively support employers in the engineering and advanced manufacturing sector to inspire and create the engineers, technicians and scientists of today and tomorrow.

Activities include but are not limited to:

- Providing expert leadership to employers, government, educational institutes and industry organisations
- Promotion of the skills needs for the sector
- Develop of practical skills solutions to support employers and individuals in accessing the skills that they need
- Use of technology to assist employers in the attraction of new talent and the up and reskilling of the existing workforce.

Our Strategic Goals as outlined in our Strategy and Business Plan are:

- A sustainable charitable group with a growing surplus that is invested in activities that delivers public benefit and a positive impact to the UK engineering sector.
- Through our expert strategic insight, and knowledge of the sector alongside use of digital technologies we develop innovative practical solutions to solve the sector skills challenges of today and tomorrow.
- With the customer at the heart of everything we do, we will become the single source for high quality, innovative skills solutions underpinned by outstanding customer service.

TRUSTEES'/DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2021

- A highly expert, people-focused and performance driven group, our people live the operating model and our values, culture and inclusivity are recognised for this.
- The Enginuity brand is synonymous within the sector as the trusted and inclusive skills integrator who marries engineering expertise with digital technologies to deliver practical skills solutions and expert and insightful thought leadership.

CORE BUSINESS ACTIVITIES

To achieve this strategy we set out to:

- Engineer employer-driven skills solutions in partnership with industry
- Build the organisation's capacity to deliver policy and research, with the target of becoming the sector's premier advocate on skills policy
- Support EAL to maintain its position in the advanced manufacturing and engineering sector and achieve growth and diversification
- Create an investment strategy with opportunities to support growth identified
- Invest in our employees so they have the skills, qualifications and enthusiasm and commitment to deliver for the organisation

STRATEGIC REPORT

Key Business Performance and Review

Our original plan for 2020/21 was to both generate a small group surplus whilst making a significant investment in charitable projects. It very quickly became clear in March 2020 that the year ahead was going to be very different and one of unpredictability with significant disruption for Engineunity and our stakeholders. Engineunity quickly responded to the pandemic and the lockdowns ensuring that all of our services continued virtually. Using our agreed strategy as the road map we came together to determine how we could support the industry during the year and also manage our own organisation to survive in an uncertain world. This report documents many new activities which were started within the year but which will now continue as we emerge from the pandemic.

The Engineunity Group utilised the Government's furlough scheme for three months but this was supplemented by staff voluntarily agreeing to salary sacrifice and/or shorter working hours to support the organisation in reducing costs. Despite this being a difficult year when income across the group had been negatively impacted, the full year financial position is significantly better than envisaged when we adjusted the budget at the start of the financial year (and the pandemic), a testament to the dedication and hard work of our people.

Our customers who are Engineering and Manufacturing employers faced difficult decisions during the year as their order books were severely impacted by the pandemic. Huge numbers of engineers have faced furlough and, in many cases, redundancy. Engineunity invested over £1m in activities to support the engineering sector during the pandemic whilst also delivering on our charitable objectives, focusing on key areas where we could make the greatest impact.

Engineunity Deliverables for the sector:

Future Engineers

We are more committed than ever to ensuring that the next generation of potential engineers understand how they could thrive through a career in engineering. Engineers have been heavily involved in the fight against COVID-19, for example in the development of PPE and vaccines. We will only be able to solve our society's greatest challenges, such as climate change and resource depletion, with the full involvement of engineers. There's a whole generation of potential engineers out there – and we are developing the products needed to bring them into our sector.

- Skills Miner, our award-winning game based on the popular Minecraft platform, was developed and enhanced to inspire a new generation of engineers to unearth hidden skills and to open up new career pathways for young people living through a turbulent period. We have also commenced work on an Aerospace version of the Skills Miner game, funded by the Melrose Skills Fund, to showcase the sector to a diverse audience.
- The pandemic has brought into sharper focus the impact of digital poverty on too many young people, and to help to counter this we have begun to develop plans for a Skills Miner 'Stackathon' bringing engineering careers closer to a wider range of young people. We also supported the production of the *Disconnected* report on digital skills by the Learning & Work Institute and WorldSkills UK.
- In 2020/21, we certificated 9,723 apprenticeships in England (38% reduction on 2019/20 due to COVID-19), 793 in Wales (50% reduction) and 535 in Scotland (35% reduction).
- We have continued to develop and shape apprenticeship frameworks and standards across the UK. We used data science, plus technical writing and research expertise, to shape a new modern apprenticeship framework (SCQF Level 8 Digital Manufacturing) for Scotland. We delivered on time and to budget the Apprenticeship Framework for Automotive Engineering in Northern Ireland.
- We have continued in our role as custodians of National Occupational Standards (NOS), ensuring comparable and high standards are maintained across UK engineering. We developed new NOS in Non-Destructive Testing and Advanced Manufacturing, and we reviewed NOS in Aeronautical Engineering Suite 3, Engineering Technical Support Suite 3, Engineering Maintenance Suite 3, Core Mandatory.
- To ensure they meet the evolving needs of industry, we have continued to support the development of new qualifications and the revision of existing qualifications. We have supported the development of a new Scottish Vocational Qualification (SVQ) in Weighbridge Operations (SCQF Level 6) by the Mineral Products Qualifications Council. We have developed one new SVQ, in Materials Processing and Finishing, and revised four SVQs, in Fabrication and Welding, Marine Engineering, and Automotive Engineering.

Upskilling / Reskilling

The pandemic has had a significant impact on the engineering and manufacturing sectors, with existing trends in skills only being accelerated. We are guided by our motto that “one engineer can change their world and ours, given the opportunity” – and we are committed to giving engineers the opportunity to remain within the sector by ensuring that their skills and knowledge keep pace with changing employer needs and priorities.

- Engage, our free to join online learning platform, was developed at pace as the pandemic unfolded to support engineers at rest (on furlough) and at risk (of redundancy) to acquire new knowledge of cutting-edge technologies. Engage was a truly collaborative effort across the engineering and manufacturing sector, with employers and other organisations generously donating their content for the common good.
- We worked closely with the Made Smarter Commission to ensure that there was a strong focus on digitalisation on our Engage platform and developed two specific content packages covering Industrial Digitalisation Basics and First Steps, both of which have proved very popular with over 940 people starting the courses. We have continued to work with the North West pilot to develop a series of modules covering the key Industrial Digitalisation technologies.
- We have used our new data science and digital capability to focus on transferable skills and a common skills language. Through the development of a career converter, we have supported engineers to move into critical roles in vaccine manufacture, bolstering the United Kingdom’s fight against the COVID-19 virus.
- We have provided ongoing support to the key sector skills working groups across Automotive, Aerospace and Defence. Work included development of an Automotive upskilling bid for BEIS which whilst not successful in its own right was integrated into the Department for Education Emerging Skills Project (ESP). The ESP is a £2million project that Enginuity are working on with High Value Manufacturing Catapult as the project lead.
- We have been active in developing the evidence base needed to shape future skills priorities across the UK. We submitted evidence to the *Making Scotland’s Future* review of Scottish manufacturing, helping to shape the skills priorities in the final plan. We undertook an international comparative study of qualifications in Engineering, Advanced Manufacturing and Energy on behalf of Qualifications Wales which underpinned a sector review of qualifications and led to the development of a new Introduction to Engineering (Schools) qualification. We produced an Engineering and Manufacturing route review in England on behalf of the Institute for Apprenticeships and Technical Education (IfATE) which involved participants from 133 stakeholders and provided recommendations for future reform of standards.
- In collaboration with Dudley College, we delivered a project for the UK-India Education and Research Initiative (UKIERI). The project, named “Review and Assessment of Technician Vocational Education & Training System in the ITIs covering 6 states in India”, provides a specification for a ‘Train the Trainer’ programme for a cohort of trainers who deliver frontline training in engineering within the 6 regions identified in India. Enginuity's role in the project was to work with the Indian Partners to develop a research report and to give recommendations on the required specification, supporting Dudley College to develop the ‘Train the Trainer’ programme, which has been delivered.

Future Skills

Enginuity is a combination of ‘engineering’ with ‘ingenuity’. As a forward-looking organisation, we are committed to supporting the engineering and manufacturing sectors to develop the skills needed not just today, but for the future as well. Through the work we have begun with key partners, as detailed below, we are helping to provide the data and insight needed to ensure UK engineering and manufacturing remain at the global cutting edge.

- We have helped to establish a National Manufacturing Skills Task Force. The Taskforce sees 16 organisations, with a collective membership representing over 2 million employees, working together around a common skills agenda – www.manufacturingskills.org.
- We have developed a partnership with the High Value Manufacturing Catapult (HVMC) to take forward the Skills Value Chain and foresighting work across engineering and manufacturing sectors. Employer engagement and data/process work was undertaken by Enginuity as part of Gatsby-funded foresighting pilots.
- We have provided ongoing support to the Made Smarter Commission by reviewing and updating the original *Made Smarter* skills recommendations and developing an action plan to deliver the recommendations. Enginuity, in partnership with HVMC, is now an active member of the Made Smarter Strategic Implementation Group.

- We continue to bring our knowledge and expertise to the European stage in our role as a key partner in Project DRIVES. This European Union-commissioned project is aimed at understanding future skills requirements in the automotive sector and creating materials, resources and best practice to develop the future workforce. By March 2021, Enginuity and our partners had developed two e-learning modules, covering Robotics Technician and Robotics Engineer roles; hosted two webinars on best practice in apprenticeships; and published an apprenticeship market report gathering the key attributes of automotive apprentice programmes from across the EU.

Enginuity's own Employee Engagement and Support

The lessons we have learned over the last year mean we will need to reshape the organisation for the future, and that work is already underway. It's clear that there is no going back to "business as usual" and this has provided Enginuity, along with countless other organisations, with a fantastic opportunity to do things better. We are committed to being a great organisation to work for and we continue to invest heavily in supporting our team, with the highlights detailed below. We have taken several key steps during the pandemic to engage with our team and empower them to shape their future and that of the wider organisation, and we will continue with this approach in the years to come.

- Hybrid working is likely to remain a feature of the future world of work and Enginuity has already demonstrated that it can provide exceptional service by harnessing technology. Previous years' investment in new technology for the business, in the form of hardware and software, paid dividends when lockdown was announced as we could quickly move to home working without any impact on the customer and with minimal additional stress for our team. Our business continuity arrangements meant we were operational from day one of lockdown, and could support our customers with key services without any interruption to service delivery.
- The pandemic showed us that we can deliver great customer service while enabling our people to be flexible in how and where they work. We reduced our estates portfolio and although many of our workforce were field based, the shared services teams have also started to shift towards flexible working locations. This has helped us to reduce costs in the closure of two office locations while increasing employee engagement and productivity.
- This last year, much of our focus has been on supporting our people and focussing on health and wellbeing, with regular sessions run by external experts to support our team's mental health and the continuing provision of a confidential helpline for team members who are struggling with mental health and other difficulties. We now have 11 trained mental health first aiders within the Enginuity Group.
- During the pandemic, we have supported colleagues by taking a flexible approach to working in light of home-schooling and other restrictions imposed as a result of lockdown. Employee absence has reduced during a year of almost fulltime homeworking, with greater flexibility enabling our people to enjoy a better work/home balance and fit commitments together. In a time when many organisations have seen their employee engagement scores reduce, ours have remained stable at an average of 74%, with many areas improving despite the many personal and professional challenges our people have faced.
- As part of the transformation, the first stage of a new Target Operating Model and subsequent organisation design with clear accountabilities and responsibilities has been deployed. The second stage resumes in 2021/2 following the return to some form of normal operations linked to the Government's vaccination programme rollout. In times of great change, we recognised the importance of retaining engagement and support of colleagues and we have sought to strengthen the ways in which we engage across the company.
- The use of our staff engagement software tool and app, Motivii, continues to support and enhance engagement with our staff; this year we removed our outdated annual appraisal process and introduced quarterly performance reviews, with our people taking the lead in shaping their own work priorities, in recognition of the fluidity of business demands that the pandemic helped to create. Early evidence suggests that this move has been welcomed positively by the team.
- We take seriously the need to ensure that our workforce is reflective of the wider society that we serve, and the requirement to ensure that our services are accessible to all. A Diversity and Inclusion Strategy was signed off by the Board in 2020/21, and a timeline and delivery plan is in place which looks at our ways of working and how we provide our services.

Communications and Our Digital Footprint

In the development and launch of the new brand, we set out to define a sharper purpose and mission— why we do what we do and why it matters – in support of Enginuity’s long term strategy and to help communicate the transformation to our staff, our partners and our stakeholders. Our new branding and positioning places greater emphasis on inspiring and enabling the engineers of today and tomorrow to change their world and ours. Our mission, as Enginuity, is to give them the opportunity to do so. Our goal is to embed this in our communication to our staff and our audience. In 2020/21, we started to see this come to life in some of the work we delivered around our brand and the causes we support.

Enginuity continues to grow its brand and positioning as the sector connector. In 2020/21, we generated £772,005 value in media coverage from 330 pieces. This included TV coverage with Sky News and Channel 4’s *The Steph Show*, and publications within *The Engineer*, *The Times*, *The Telegraph* and many other publications with an estimated audience reach of 83,460,080.

Our annual celebration of skills was affected by the pandemic as so many other events were, but we were pleased to be able to present the first Enginuity Skills Awards virtually from the *Channel 4 Packed Lunch* TV studios with host Steph McGovern. Almost 350 people remotely attended the event and the feedback we received was fantastic. The high level of engagement during the virtual event was amazing and had a reach of 760,174 across social channels, we also achieved over 250 sign ups from our website, 1,482 engagements including 621 reactions and 100 shares. Sponsors and supporting partners have committed their support for the 2021/22 event, and we are very much looking forward to the next great celebration of those who have worked so hard through the pandemic to strengthen engineering skills for the future.

Further work is underway to improve our website and social media platforms in line with our new brand. In 20/21 we achieved the following:

Enginuity.org.uk website

- 92,890 page views
- 43,917 unique users

@Enginuity_Org Twitter feed

- 7,197 followers
- 439 posts
- 225,813 tweet impressions
- 2,514 total tweet engagements (including link clicks)
- 292 retweets
- 626 reactions (including tweet likes)

Enginuity LinkedIn feed

- 2,397 followers
- 332 posts
- 63,837 post impressions
- 3,233 total post engagements (including link clicks)
- 956 post reactions (including post likes)
- 241 post shares

Facebook

- 520 followers
- 316 posts
- 1,108 post reactions (including post likes)
- 27,417 post reach (organic)
- 100 post shares
- 1,343 total post engagements

EAL

Together with subsidiary EAL, we are able to make a positive difference for our beneficiaries. EAL supports the Enginuity charity in the delivery of its objects and powers through the development, delivery and validation of qualifications and end point assessments via a network of further education and other training institutions, enabling individuals to gain nationally recognised qualifications and certification.

In 2020/21, EAL delivered an estimated 50,000 exams, extended provision of its qualifications to 58 new training centres, processed over 53,000 certificate claims and reached the milestone of 1,000 completed apprenticeship End-Point Assessments.

EAL provides:

- a main source of funding for Enginuity by gift aiding any surplus;
- other valuable resources which help to save money, e.g. sharing premises and shared service functions;
- opportunities to strengthen the quality, reach and impact of Enginuity's work;
- an effective trading structure to raise funds for Enginuity;
- a direct way of furthering our Enginuity's purposes.

Further details can be found within the EAL Annual Report for 2020/21 of all of their key achievements and their outlook for the year ahead.

While it has been a challenging period for Enginuity over this last financial year, it is clearer than ever that there is a need and demand for the products and services we provide to our industry and employers. The need for radical innovation to drive transformation in engineering and manufacturing came through strongly and quickly in the face of unprecedented events, and our team has worked harder than ever to deliver the products and services our sector needs in order to survive and thrive.

FINANCIAL REVIEW

The Consolidated Statement of Financial Activities for the year ended 31st March 2021 (page 21) shows a net increase in funds of £4,234k (2019/20 decrease of £2,491k).

The key drivers of the financial result were:

- Better than anticipated financial performance by both Enginuity and EAL.
- Strong cost control measures underpinned by access to the Government's furlough scheme and colleagues volunteering to accept salary reductions for a 3 month period to financially support the group.

Significant investment in the transition programme to reduce overheads and create an organisation with an appropriate cost base compared to projected income levels.

The Group result is a surplus of £4,234k including investment income and investment gains (2019/20 deficit of £2,491k).

The Charity's funding is derived from supporting activities which address the productivity and skills development needs of employers and employees within Enginuity's remit.

The five trading subsidiaries produced a net surplus of £4,848k (2019/20 net surplus of £3,007k).

The results of the trading subsidiaries are detailed in Note 3(b).

Whilst COVID-19 has adversely impacted trading from April 2020 the strength of Enginuity's balance sheet, and in particular its investment portfolio, ensures any trading deficits during COVID-19 can be fully covered.

RESERVES POLICY

The Board's policy, reviewed annually, is to maintain reserves at a level designed to generate circa £600,000 income per annum, to support the charitable activities of Enginuity and to cover those specific liabilities not matched by specific assets plus 6 months normal operating expenditure related to our activities. The General Reserve at the end of March 2021 was £33,127k (2020 £28,893k) an increase in the year of £4,234k. The reserves are held to ensure it has sufficient funding to continue as a going concern and thereby continue to deliver its charitable activities for the foreseeable future.

After the year-end, the Directors of four dormant subsidiaries (being Training Properties Ltd, Training Publications Ltd, Metskill Ltd and National Skills Academy for Manufacturing Ltd) and the Directors of the parent company had put in place plans to dissolve those entities and strike them from the register. For those subsidiaries in deficit, any such deficit will be resolved as a result of that process.

KEY MANAGEMENT PERSONNEL REMUNERATION POLICY

A triennial benchmarking exercise is conducted which involves reviewing other organisations within the same/similar industries and additionally, the Charities and Public sectors. Recommendations are then made to the Remuneration and Pensions Committee where a final decision is made as to the total reward and remuneration package.

INVESTMENT POLICY AND PERFORMANCE

The Board's policy, reviewed annually, requires its investments to be managed actively in line with an agreed approach which ensures that appropriate levels of targeted risk is adopted and return is achieved.

The long-term investment return expectations from the portfolio are set as a total return of inflation plus 3.5% per annum, after expenses.

The performance of the portfolio is reviewed quarterly by the Investment Committee in conjunction with the investment managers. Market performance is monitored by Portfolio Manager Consultancy Limited who report to the Committee every quarter.

The Investment Fund generated an investment income of £811k (2020 £836k). The overall Investment Fund increased by £2,733k during 2020/21 (2020 decrease of 1,8993k).

The immediate impact of COVID-19 was to reduce the value of the investments from £33m to £28m, a 15% reduction. Since that date the investments have slowly but steadily recovered.

PLANS FOR FUTURE PERIODS

Plans and budgets for 2021-22 have taken into account COVID-19 and these will flex as circumstances dictate.

As we start to emerge from the pandemic we are seeing green shoots of recovery within the engineering and manufacturing sector. The digital products that Enginuity invested in to support the sector during the pandemic are having increasing impact. This demonstrates that the strategy to combine Enginuity's deep engineering and skills knowledge with technology is having a positive effect.

For the year 2021/22 we plan to continue to invest and develop in digital products and technology to further enhance and widen our public benefit reach whilst continuing to take a prudent financial strategy.

DIRECTORS AND OFFICERS LIABILITY INSURANCE

As permitted under the Companies Act 2006 and under the company's articles of association, the charitable company has maintained insurance in respect of directors' and officers' liabilities incurred in connection with the discharge of their duties.

FUNDRAISING

The charitable company did not partake in charitable fundraising activities.

RISK REVIEW

The Board has considered the major external business risks to which the group is exposed and where possible strategies have been developed to mitigate those risks. The Risk Register is regularly reviewed by the Audit Committee and strategic risks are reported to the Board. Investment risk is managed by the Investment Committee in conjunction with the group's investment manager and advisor.

- The uncertainty and impacts of the ongoing pandemic present a key risk to the Enginuity Group and this remains under monthly review by the Executive team.
- The potential for on-going change to skills infrastructure systems and processes could impact on the role of Enginuity and EAL.
- The increasing development by Enginuity of practical solutions underpinned by technology and data science is an area where new skills and capabilities need to be developed to meet the increasing demand and interest from employers.

Mitigating actions are in place to help ensure the group remains healthy. These actions support the growth of Enginuity whilst we deliver on our transformational needs.

FINANCIAL RISK MANAGEMENT

The Group and the charity company are exposed to a variety of financial risks that include liquidity risk, credit risk and price risk, the significant of which is price risk which arises from the volatility in the market prices of investments that are carried at fair values. The Group and the charity company manages exposures to price risk by monitoring the changes in the market price of the investments and at some extent, diversifying the investment portfolio in accordance with sound investment policy.

COVID-19 will continue to have a major impact which is being mitigated.

STATEMENT OF TRUSTEES (BOARD MEMBERS) RESPONSIBILITIES

The trustees (who are also directors of Enginuity for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

Company law/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 company law/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.

TRUSTEES'/DIRECTORS' REPORT (continued)

FOR THE YEAR ENDED 31 MARCH 2021

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

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

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006/Charities Act 2011. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

STATEMENT OF TO DISCLOSURE TO OUR AUDITORS

In so far as the trustees are aware at the time of approving our trustees' annual report:

- There is no relevant information, being information needed by the auditor in connection with preparing their report, of which the group's auditor is unaware, and
- The trustees, having made enquiries of fellow directors and the group's auditor that they ought to have individually taken, have each taken all steps that he/she is obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

AUDITOR

In accordance with the Companies Act 2006, a resolution will be proposed at the Annual General Meeting that Grant Thornton UK LLP will be reappointed as auditor to the charitable company for the ensuing year.

This report, which incorporates the Strategic Report, was approved by the Board on the 30 September 2021 and signed on its behalf by:



J Hackitt
Chair
Enginuity
Unit 2, The Orient Centre
Greycaine Road
Watford
WD24 7GP

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ENGINUIITY**FOR THE YEAR ENDED 31 MARCH 2021**

Opinion

We have audited the financial statements of Enginuity (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2021, which comprise the Consolidated Statement of Financial Activities (incorporating Income and Expenditure), the Consolidated and Parent Charitable Company Balance Sheets, the Consolidated Charitable Company Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102; The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 31 March 2021 and of the group's incoming resources and application of resources including, its income and expenditure 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 Companies Act 2006.

Basis for opinion

We have been appointed as auditor under the Companies Act 2006 and report in accordance with regulations made under that Act. 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 charitable company 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

We are responsible for concluding on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's and the parent charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the group or parent charitable company to cease to continue as a going concern.

In our evaluation of the trustees' conclusions, we considered the inherent risks associated with the group's and parent charitable company's business model including effects arising from macro-economic uncertainties such as Brexit and Covid-19, we assessed and challenged the reasonableness of estimates made by the trustees and the related disclosures and analysed how those risks might affect the group's and parent charitable company's financial resources or ability to continue operations over the going concern period.

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 and 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.

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.

The responsibilities of the trustees with respect to going concern are described in the 'Responsibilities of trustees for the financial statements' section of this report.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ENGINUIITY (continued)

FOR THE YEAR ENDED 31 MARCH 2021

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Annual Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' report, prepared for the purposes of company law, included in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Strategic Report and the Directors' Report included in the Trustees' Report have been prepared in accordance with applicable legal requirements.

Matter on which we are required to report under the Companies Act 2006

In the light of the knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report included in the Trustees' Report.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent charitable company, or
- returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees for the financial statements

As explained more fully in the Trustees' Responsibilities Statement set out on page 14, the trustees (who are also the directors of the charitable company for the purposes of company law) 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 the parent charitable company'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 charitable company 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We understood how Enginuity is complying with those legal and regulatory frameworks by making enquiries of management, those responsible for legal and compliance procedures and the audit committee. We corroborated our enquiries through our review of board minutes, papers provided to the Audit Committee and correspondence received from regulatory bodies.
- The Group is subject to many laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements. We identified the following laws and regulations as the most likely to have a material effect if non-compliance were to occur; Charities SORP (FRS 102), FRS 102, Charities Act 2011, Companies Act 2006, Data Protection Act 2018, Code of Governance, The Education Act 2002, tax legislation, anti-bribery legislation and employment law.
- We communicated relevant laws and regulations and potential fraud risks to all engagement team members, including internal specialists, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.
- We assessed the susceptibility of the group's financial statements to material misstatement, including how fraud might occur, by evaluating management's incentives and opportunities for manipulation of the financial statements. This included the evaluation of the risk of management override of controls. We determined that the principal risks were in relation to:
 - journal entries that increased revenues or that reclassified costs from the income statement to the balance sheet
 - potential management bias in determining accounting estimates, especially in relation to the calculation of impairment of deferred income
 - transactions with related parties
- Our audit procedures involved:
 - evaluation of the design effectiveness and testing the operating effectiveness of controls that management has in place to prevent and detect fraud;
 - journal entry testing, with a focus on material manual journals, including those with unusual account combinations and those that reclassified costs from the income statement to the balance sheet;
 - challenging assumptions and judgements made by management in its significant accounting estimates;

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ENGINUIITY (continued)

FOR THE YEAR ENDED 31 MARCH 2021

- testing the completeness of the group's related party transactions through information obtained at the parent and component entities and testing that these transactions had a valid business purpose; and
 - assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the related financial statement item.
 - journal entry testing, with a focus on material manual journals, including those with unusual account combinations and those that reclassified costs from the income statement to the balance sheet;
 - challenging assumptions and judgements made by management in its significant accounting estimates;
 - testing the completeness of the group's related party transactions through information obtained at the parent and component entities and testing that these transactions had a valid business purpose; and
 - assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the related financial statement item.
- In addition, we completed audit procedures to conclude on the compliance of disclosures in the annual report and accounts with applicable financial reporting requirements.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. However, detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as those irregularities that result from fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.
- Assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
 - understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation
 - knowledge of the industry in which the client operates
 - understanding of the legal and regulatory requirements specific to the entity/regulated entity including:
 - the provisions of the applicable legislation
 - the regulators rules and related guidance, including guidance issued by relevant authorities that interprets those rules
 - the applicable statutory provisions
- Team communications in respect of potential non-compliance with laws and regulations and fraud included the potential for fraud in revenue recognition through manipulation of accrued or deferred income.
- In assessing the potential risks of material misstatement, we obtained an understanding of:
 - the entity's operations, including the nature of its revenue sources, products and services and of its objectives and strategies to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement.
 - the applicable statutory provisions
 - the entity's control environment, including the policies and procedures implemented to comply with the requirements of its regulator, including the adequacy of the training to inform staff of the relevant legislation, rules and other regulations of the regulator, the adequacy of procedures for authorisation of transactions, internal review procedures over the entity's compliance with regulatory requirements, the authority of, and resources available to the compliance officer and procedures to ensure that possible breaches of requirements are appropriately investigated and reported.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Grant Thornton UK LLP

William Devitt

Senior Statutory Auditor

for and on behalf of Grant Thornton UK LLP

Statutory Auditor, Chartered Accountants

Milton Keynes

Date: 05 October 2021

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (incorporating Income and Expenditure)

FOR THE YEAR ENDED 31 MARCH 2021

INCOME AND EXPENDITURE

	Notes	2021 £'000	2020 £'000
Income			
<i>Other trading activities</i>			
Income from trading subsidiaries	3b	8,121	11,022
<i>Investment income</i>	8	811	836
<i>Charitable activities</i>			
Externally funded projects	3a	262	420
Other	3a	196	392
Total income		9,390	12,670
Expenditure on			
<i>Raising funds</i>			
Expenditure of trading subsidiaries	3b	3,311	5,023
Investment managers' fees		49	172
Total cost of raising funds		3,360	5,195
<i>Charitable activities:</i>			
Improving access to learning and encouraging people into careers in the sector		3,881	3,580
Promoting and representing the sector		371	950
Developing and supporting occupational standards and learning frameworks		1,188	2,277
Research into skills gaps and shortages		363	436
Other		700	331
Total charitable activities	7	6,503	7,574
Total expenditure		9,863	12,769
Net income/(expenditure) before gains and losses		(473)	(99)
Net gains/(losses) on investments	11	4,707	(2,392)
Net movements in funds		4,234	(2,491)
Total funds brought forward	20	28,893	31,384
Total funds carried forward	20	33,127	28,893

All income and expenditure items are unrestricted and all gains and losses recognised in the year are included in the Statement of Financial Activities. All activities are continuing.

The notes on pages 26 to 42 form part of the accounts.

	Notes	2021 £'000	2020 £'000
FIXED ASSETS			
Tangible assets	10	105	187
Investments	11	31,686	28,953
		<u>31,791</u>	<u>29,140</u>
CURRENT ASSETS			
Stocks	13	32	32
Debtors	14	1,695	2,124
Bank and cash balances		2,483	896
		<u>4,210</u>	<u>3,052</u>
CREDITORS: amounts falling due within one year	15	<u>(2,101)</u>	<u>(2,335)</u>
NET CURRENT ASSETS		<u>2,109</u>	<u>717</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		33,900	29,857
CREDITORS: amounts falling due after one year	16	(773)	(964)
NET ASSETS	21	<u>33,127</u>	<u>28,893</u>
FUNDS AND RESERVES			
Unrestricted funds			
General reserve	20	<u>33,127</u>	<u>28,893</u>

The financial statements were approved and authorised for issue by the Board on the 30 September 2021 and were signed below on its behalf by:



J Hackitt
Chair

The notes on pages 26 to 42 form part of the accounts.

	Notes	2021 £'000	2020 £'000
FIXED ASSETS			
Tangible assets	10	105	187
Investments	11	31,686	28,953
Investment in subsidiaries	12	-	-
		<u>31,791</u>	<u>29,140</u>
CURRENT ASSETS			
Debtors	14	520	527
Bank and cash balances		2,483	896
		<u>3,003</u>	<u>1,423</u>
CREDITORS: amounts falling due within one year	15	<u>(2,377)</u>	<u>(2,265)</u>
NET CURRENT ASSETS / (LIABILITIES)		<u>626</u>	<u>(842)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		32,417	28,298
CREDITORS: amounts falling due after one year	16	<u>(25)</u>	<u>(100)</u>
NET ASSETS	21	<u><u>32,392</u></u>	<u><u>28,198</u></u>
FUNDS AND RESERVES			
Unrestricted funds			
General reserve	20	<u><u>32,392</u></u>	<u><u>28,198</u></u>

In accordance with section 408 of the Companies Act 2006, a separate Statement of Financial Activities for the charity has not been presented. The result for the charity was a surplus of £4,194k (2020: deficit £3,233k).

The financial statements were approved and authorised for issue by the Board on the 30 September 2021 and were signed below on its behalf by:



J Hackitt
Chair

The notes on pages 26 to 42 form part of the accounts.

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021 £'000	2020 £'000
Cash used in operating activities	a)	(1,122)	(3,180)
Cash flows from investing activities			
Investment income received		811	829
Interest income		-	7
Payments to acquire investments		(527)	(37,129)
Payments to acquire tangible fixed assets		-	(227)
Cash withdrawn from investments		2,001	-
Receipts from the sale of investments		500	36,636
Cash used in/provided by investing activities		2,785	116
Cash flow from financing activities			
New finance leases in the year		-	227
Repayments of finance leases in the year		(81)	(54)
Interest paid on finance leases		5	3
Cash (used)/provided by financing activities		(76)	176
Net increase/(decrease) in cash		1,587	(2,888)
Cash and cash equivalents at start of year		896	3,784
Cash and cash equivalents at end of year		2,483	896
Analysis of cash and cash equivalents			
Cash at bank and in hand		2,483	896

Refer to note b) for the analysis of changes in net debt.

CONSOLIDATED CASH FLOW STATEMENT (continued)

FOR THE YEAR ENDED 31 MARCH 2021

	2021 £'000	2020 £'000
a) Reconciliation of net incoming resources to net cash inflow from operating activities		
Net movement in funds	4,234	(2,491)
Investment income	(811)	(836)
Depreciation	82	69
Decrease in creditors	(349)	(1,915)
Decrease/(increase) in debtors	429	(301)
Decrease in stock	-	2
Net (gain)/loss on investments	(4,707)	2,392
Movement in provisions	-	(100)
Net cash provided by operating activities	(1,122)	(3,180)

	At beginning of the year £'000	Cash flows £'000	Non cash movements £'000	At end of the year £'000
b) Analysis of changes in net debt				
Cash and cash equivalents	896	1,587	-	2,483
	<u>896</u>	<u>1,587</u>	<u>-</u>	<u>2,483</u>
Finance lease obligations due in 1 year	(76)	1	-	(75)
Finance lease obligations due in more than 1 year	(100)	75	-	(25)
	<u>720</u>	<u>76</u>	<u>-</u>	<u>2,383</u>

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

1. GENERAL INFORMATION

Enginuity is a charitable company, limited by guarantee, incorporated in England and Wales under the Companies Act 2006. The address of the registered office is shown on the Advisors page. The nature of the charity's operations and its principal activities are outlined in the Trustees'/Directors' Report.

2. ACCOUNTING POLICIES

The principal accounting policies adopted, judgements and key sources of estimation uncertainty (see note 4) in the preparation of the financial statements are as follows:

Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP 2nd Edition (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Enginuity meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes. All of the expenditure incurred by the Enginuity is for charitable purposes.

The presentation currency and functional currency of the Charity is pounds sterling, and is rounded to the nearest thousand pounds.

Parent charitable company disclosure exemptions

In preparing the separate financial statements of the parent charitable company, advantage has been taken of the following disclosure exemptions available in FRS 102:

- No cash flow statement has been presented for the parent charitable company;
- Disclosures in respect of the parent charitable company's financial instruments have not been presented as equivalent disclosures have been provided in respect of the Group as a whole;
- No disclosure has been given for the aggregate remuneration of the key management personnel of the parent charitable company as their remuneration is included in the totals for the Group as a whole.

Going concern

The trustees have, at the time of approving the financial statements, a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing these financial statements.

COVID-19 does not adversely impact the adoption of the going concern basis in the preparation of these financial statements

Financial statements

The financial statements consolidate the results of Enginuity and its subsidiaries as at the balance sheet date.

2. ACCOUNTING POLICIES (continued)

Incoming resources

Income represents the amount receivable for goods and services for the period but excludes value added tax and trade discounts.

All income is recognised once the charitable group has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Income from investments represents interest from bank deposits. Interest on funds held on deposit is recognised when receivable and the amount can be measured reliably by the charity, this is normally upon notification of the interest paid or payable by the bank.

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due. This is normally upon notification by our investment advisor of the dividend yield of the investment portfolio.

Payments received from the government for furloughed employees are a form of grant. This grant money is receivable as compensation for expenses already incurred, and where this is not in respect of future related costs, is recognised in income in the period in which it becomes receivable and the related expense is incurred.

Gift aid

The charity owns the whole of the issued ordinary share capital of Excellence Achievement & Learning Limited, Metskill Limited, National Skills Academy for Manufacturing Limited, Training Properties Limited, and Training Publications Limited (see note 12).

Each subsidiary ordinarily pays each year to the charity, under the provisions related to Gift Aid, a sum based on the taxable profits of the Company. The payment of Gift Aid is subject to the reserves policy of the gifting entity, and the approval of the charity.

Gift aid is recognised on the accruals basis in line with the deed of covenant.

Resources expended

Resources expended are included in the Statement of Financial Activities on an accruals basis, inclusive of any VAT which cannot be recovered. Certain expenditure is directly attributable to specific activities and has been included in these cost categories. Support costs which cannot be directly allocated are apportioned across the categories on the basis of an estimate of the proportion of time spent by staff on those activities.

Costs of raising funds are costs incurred in attracting voluntary income and those incurred in trading activities that raise funds.

Governance costs form part of support costs are for the charity. These include the external audit fee and an assessment of the time spent undertaking company secretarial responsibilities.

All expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

Interest expenses are charged to the Statement of Financial Activities over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

Sale of properties

Sales of properties are recognised upon legal completion of the contract.

2. ACCOUNTING POLICIES (continued)

Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on a reducing balance basis.

Depreciation is provided on the following basis:

	Years
Office furniture	10
Equipment	3

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

Fixed asset investments

Investments are stated at market value as at 31 March 2021. Realised and unrealised gains and losses are released or charged to the consolidated Statement of Financial Activities in the year in which they arise.

The investment in subsidiaries is stated at the lower of cost and net asset value.

Stocks

Saleable publications are valued at the lower of production cost and net realisable value.

Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Cash

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2. ACCOUNTING POLICIES (continued)

Financial Instruments

Financial assets

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

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the consolidated Profit and Loss Account.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

Financial liabilities and equity

Financial liabilities and equity 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.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Grants payable

Grants payable to other organisations are agreed as part of the Business Planning process. The cost is charged to the Statement of Financial Activities in the period to which the grant relates.

Fund accounting

The general reserve comprises of those monies which may be used towards furthering the charitable objects.

Leased assets: Lessee

Where assets are financed by leasing agreements that give rights approximating to ownership (finance leases), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable over the term of the lease. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to profit or loss over the shorter of estimated useful economic life and the term of the lease.

Finance lease payments are analysed between capital and interest components so that the interest element of the payment is charged to profit or loss over the term of the lease and is calculated so that it represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

All other leases are treated as operating leases. Their annual rentals are charged to profit or loss on a straight line basis.

2. ACCOUNTING POLICIES (continued)

Pensions

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in the statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the statement of financial position. The assets of the plan are held separately from the company in independently administered funds.

Enginuity is a participating employer to a defined benefit scheme administered by ITB Pension Funds. A defined benefit scheme is a pension plan under which the company pays fixed pension to its employees. As a member of the multi-employer scheme where the assets and liabilities are not identifiable, Enginuity has accounted for the scheme as a defined contribution scheme to comply with the provisions of FRS 102. Pension contributions are charged to the consolidated Statement of Financial Activities so as to spread the regular cost of the pensions and related benefits over the employees' working lives.

3. INCOMING RESOURCES AND NET MOVEMENT IN FUNDS

a) Analysis of income

The group has only one class of activity. The majority of group activities are conducted in the United Kingdom.

Excellence Achievement & Learning Limited (EAL) conducted business with centres outside the UK totalling £105,404 in the year (2020: £127,087).

Investment income represents the income from the investment portfolio and interest received on cash balances.

Externally funded projects income represents the contribution to Enginuity for staff time spent on projects funded by the UK government and other stakeholders, this income totalled £231,164 in the year (2020: £420,000).

Other income represents the charge to Enginuity customers for services provided by the charity. This relates to income generated through certification of learners, and development of National Occupation standards for devolved nations. This income totalled £196,000 in the year (2020: £392,000). Government grant income for furloughed employees totalled £156,287 (2020: £Nil).

Income from trading subsidiaries represents the turnover of the charity's trading subsidiaries included in Enginuity's accounts.

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2021

3. INCOMING RESOURCES AND NET MOVEMENT IN FUNDS (CONTINUED)

b) Results of trading subsidiaries

The charity owns 100% of the allotted ordinary share capital of the following companies which are incorporated in the UK:

- Excellence Achievement & Learning Limited (EAL) is the awarding organisation for vocational qualifications primarily in the engineering sector.
- MetSkill Limited provided apprentice training services to businesses in the manufacturing and engineering sector and ceased trading in 2020.
- National Skills Academy for Manufacturing Limited is a dormant company.
- Training Properties Limited is a dormant company.
- Training Publications Limited is a dormant company.

Taxable profits transferred to the parent entity, a registered charity, are recognised as distributions from equity when the company has a legal obligation to the parent to pay the taxable profits. A summary of the trading results included in the consolidated accounts is shown below.

Audited accounts for each subsidiary entity have been filed with the Registrar of Companies.

	EAL £'000	Training Properties Limited £'000	Training Publications Limited £'000	MetSkill Limited £'000	National for Skills Academy Manuf. Limited £'000	2021 Total £'000	2020 Total £'000
Income:							
Income	8,120	-	-	1	-	8,121	12,588
Group loan write off	-	-	-	-	-	-	(1,566)
Total Income:	8,120	-	-	1	-	8,121	11,022
Expenditure:							
Staff costs	2,900	-	-	-	-	2,900	3,019
Depreciation	-	-	-	-	-	-	4
Other operating charges	4,204	1	1	1	1	4,208	1,510
Recharges for support and marketing	(3,797)	-	-	-	-	(3,797)	(3,777)
Total Expenditure:	3,307	1	1	1	1	3,311	5,023
Tax	(185)	-	-	-	-	(185)	(548)
Tax relief	185	-	-	-	-	185	548
Net surplus/(deficit)	4,813	(1)	(1)	-	(1)	4,810	5,999
Gift Aid to Enginuity	(973)	-	-	-	-	(973)	(2,992)
	3,840	(1)	(1)	-	(1)	3,837	3,007

4. JUDGEMENTS AND KEY AREAS OF ESTIMATION UNCERTAINTY

In preparing these financial statements, the trustees have had to make the following judgements:

- Leases**
Determine whether leases entered into by the company 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.
- Impairment**
Determine whether there are indicators of impairment of the company's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.
- Tangible fixed assets**
Tangible fixed assets, other than investments properties, are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on the number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.
- Deferred revenue for registrations**
To determine the value of registration and framework income to defer to the balance sheet at year end as deferred income. This decision depends on an assessment of the amount of fees learners have paid in advance for registering on courses and obtaining frameworks for qualifications.
- Valuation of provisions**
Judgement is exercised by management to distinguish between provisions and contingencies. Policies on recognition of provisions is discussed in Note 2 and disclosures on relevant provision is presented in Note 18.

5. STAFF COSTS

Group	2021 £'000	2020 £'000
Wages and salaries	4,635	4,807
Social security charges	509	527
Other pension costs	251	261
	<u>5,395</u>	<u>5,595</u>

Included within wages and salaries are agency staff costs of £27,976 (2020: £85,385) for the year. During the year the group made termination payments of £214,319 (2020: £162,542). Included within other charitable costs and creditors is a provision for redundancy/termination payments of £Nil (2020: £Nil).

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2021

5. STAFF COSTS (continued)

The average monthly number of persons employed during the year was as follows:

	2021 No.	2020 No.
Training services	87	89
Support services	16	11
	<u>103</u>	<u>100</u>

Charity

The parent charity's staff costs are as follows:

	2021 £'000	2020 £'000
Wages and salaries	2,351	2,374
Social security charges	279	267
Other pension costs	103	107
	<u>2,733</u>	<u>2,748</u>

The average monthly number of persons employed during the year by the parent charity was as follows:

	2021 No.	2020 No.
Training services	12	28
Support services	26	11
	<u>38</u>	<u>39</u>

Emoluments of employees

The number of employees whose emoluments as defined for taxation purposes exceeded £60,000 per annum during the period was as follows:

	2021 No.	2020 No.
£60,001 - £70,000	8	4
£70,001 - £80,000	3	1
£80,001 - £90,000	3	1
£90,001 - £100,000	-	1
£100,001 - £110,000	-	1
£110,001 - £120,000	1	-
£120,001 - £130,000	1	-
£140,001 - £150,000	1	1
£150,001 - £160,000	1	-
£170,001 - £180,000	-	1
£240,001 - £250,000	1	-
£280,001 - £290,000	-	1
Total	<u>19</u>	<u>11</u>

The total of key management personnel compensation for the year was £789,901 (2020: £815,549).

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2021

5. STAFF COSTS (continued)

Trustees' remuneration

During the year, in accordance with the Articles of Association of the charity, payments were made to the Chairman totalling £35,000 (2020: £35,000). The total amount of expenditure reimbursed to no (2020: 1) Board members in respect of expenses incurred on the charity's activities was £Nil (2020: £578). No other trustees received any remuneration (2020: £Nil).

6. NET INCOMING RESOURCES

Net incoming resources are arrived at after charging the following:

	2021 £'000	2020 £'000
Auditor's remuneration		
- Audit services	40	39
- Tax compliance services	7	6
- Other non-audit services	-	9
Operating lease rentals-motor vehicles	17	136
Depreciation	82	69

Auditors' remuneration includes £21,000 in respect of the audit of the parent charity (2020: £23,200) and £19,000 in respect of the audit of the subsidiary undertakings (2020: £15,800). Fees in relation to non-audit services were £46,901 (2020: £15,000).

7. EXPENDITURE ON CHARITABLE ACTIVITIES

	Staff No's	Direct costs £'000	Support costs £'000	2021 Total costs £'000
Improving access to learning	8	2,429	1,452	3,881
Promoting and representing the sector	1	189	182	371
Developing and supporting occupational standards and learning frameworks	5	280	908	1,188
Research into skills gaps and shortages	2	-	363	363
Other charitable costs	-	625	75	700
	16	3,523	2,980	6,503

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2021

7. EXPENDITURE ON CHARITABLE ACTIVITIES (CONTINUED)

	Staff No's	Direct costs £'000	Support costs £'000	2020 Total costs £'000
Improving access to learning	5	1,405	2,175	3,580
Promoting and representing the sector	1	515	435	950
Developing and supporting occupational standards and learning frameworks	4	537	1,740	2,277
Research into skills gaps and shortages	1	1	435	436
Other charitable costs	-	251	80	331
	<u>11</u>	<u>2,709</u>	<u>4,865</u>	<u>7,574</u>

Support costs have been allocated across the charitable activities based on average full-time equivalent headcount in the charity, as this basis is consistent with the use of the resources. Governance costs are included within support costs and totalled £75,000 (2020: £79,601) for the period. Governance costs consist of Chairman's remuneration, group's audit fees and expenses reimbursed to Board members in respect of expenses incurred on the charity's activities.

	2021 £'000	2020 £'000
Included in other charitable costs are the following exceptional costs:		
Provision for redundancy/termination costs/recruitment	214	110
Legal costs	-	14
Staff development	-	36
Tax advisory	-	8
Other exceptional costs	-	3
Taxation paid on behalf of Metskill Limited (see below)	390	-
	<u>604</u>	<u>171</u>

Loans provided to Metskill Limited were written off during the previous year. A payment of £390,000 was made to HMRC in respect to Corporation Tax liabilities relating to the closure of Metskill Limited in the current year.

8. INVESTMENT INCOME

	2021 £'000	2020 £'000
Income from fixed asset investments	811	829
Interest received	-	7
	<u>811</u>	<u>836</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2021

9. TAXATION

Enginuity is a registered charity and therefore is not liable for income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

10. TANGIBLE FIXED ASSETS

	Office furniture & equipment £'000	Total £'000
Group Cost		
At 1 April 2020	1,026	1,026
Additions	-	-
Disposals	-	-
At 31 March 2021	1,026	1,026
Depreciation		
At 1 April 2020	839	839
Charge in year	82	82
Disposals	-	-
At 31 March 2021	921	921
Net Book Value		
At 31 March 2021	105	105
At 31 March 2020	187	187

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2021

10. TANGIBLE FIXED ASSETS (continued)

	Office furniture & equipment £'000	Total £'000
Charity		
Cost		
At 1 April 2020	724	724
Additions	-	-
Disposals	-	-
At 31 March 2021	724	724
Depreciation		
At 1 April 2020	537	537
Charge in year	82	82
Disposals	-	-
At 31 March 2021	619	619
Net Book Value		
At 31 March 2021	105	105
At 31 March 2020	187	187

The net book value of tangible fixed assets held under a finance lease for the group and the charity was £100,735 (2020: £176,292).

11. FIXED ASSET INVESTMENTS	2021 £'000	2020 £'000
Group and Charity		
Balance 1 April 2020 at market value	23,817	29,279
Additions at cost	527	33,566
Disposals at opening market value or cost if acquired during the year	(500)	(33,320)
Unrealised gain on revaluation	4,707	(5,708)
	28,551	23,817
Cash awaiting investment	3,135	5,136
Balance at 31 March 2021 at market value	31,686	28,953
Historical cost of investments	31,217	33,202

The net gain on revaluation was £4,707k (2019: Net loss of £2,392k).

Enginuity has investments in the COIF Charity Funds totalling £22.9m equivalent to 1,275,427.81 units at year end. The investment is only available to charities within the meaning of section 1(1) of the Charities Act 2011. On 31 March 2021, the mid market value of one unit in the fund was 1,792.64 pence. The bid market value of one unit in the fund was 1,789.15 pence.

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2021

11. FIXED ASSET INVESTMENTS (continued)

	2021 £'000	2020 £'000
COIF Charities investment fund income units	22,864	18,490
COIF Charities deposit fund	3,135	5,135
BNY Mellon Real Return fund Newton Inst. Shares 1 (inc)	5,687	5,328
	<u> </u>	<u> </u>

12. INVESTMENTS IN SUBSIDIARIES

	2021 £'000	2020 £'000
Charity		
Shares at cost	5,980	5,980
Long term loan	2,771	2,771
	<u> </u>	<u> </u>
	8,751	8,751
Impairment provision		
Balance at 1 April 2020 and 31 March 2021	(8,751)	(8,751)
	<u> </u>	<u> </u>
	-	-
	<u> </u>	<u> </u>

The impairment provision is to write down Enginuity's investment in its subsidiary companies.

The charity owns 100% of the allotted ordinary share capital of the following subsidiaries, all of which are registered in England and Wales:

Excellence Achievement & Learning Limited (company registration no 02700780)

A company registered in England and Wales which provides the assessment systems for awarding vocational qualifications primarily in the engineering sector and acts as the awarding body for those qualifications.

MetSkill Limited (company registration no 02465674)

A company registered in England and Wales whose principal activity is the provision of apprentice training services to improve performance of businesses in the engineering and manufacturing sectors. The company ceased trading on 31 July 2020.

National Skills Academy for Manufacturing Limited (company registration no 02707095)

A company registered in England and Wales which develops and implements national standards for manufacturing skills delivery.

Training Properties Limited (company registration no 02311840)

A company registered in England and Wales which operates as a property manager within Great Britain.

Training Publications Limited (company registration no 02700784)

A company registered in England and Wales which operates as a publishing and printing operation within Great Britain and ceased active trading on 31 March 2005.

All of the subsidiaries, with the exception of Excellence Achievement & Learning Limited and Metskill Limited, are dormant.

The registered office of all of the above subsidiaries is Unit 2, The Orient Centre, Greycaine Road, Watford, WD24 7GP.

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2021

13. STOCKS	Group		Charity	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Resalable publications	32	32	-	-
	<u>32</u>	<u>32</u>	<u>-</u>	<u>-</u>
14. DEBTORS	Group		Charity	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Amounts falling due within one year				
Trade debtors	927	1,304	-	44
Amounts owed by subsidiary undertakings	-	-	-	-
Other debtors	82	110	81	104
Prepayments	481	468	234	171
Accrued income	205	242	205	208
	<u>1,695</u>	<u>2,124</u>	<u>520</u>	<u>527</u>

Bad debt recognised for the group during the year as an expense was £200 (2020: £34,188).

15. CREDITORS: amounts falling due within one year	Group		Charity	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Trade creditors	383	123	296	106
Taxation and social security	358	274	358	274
Other creditors	131	134	51	49
Accruals	327	787	224	497
Finance lease liabilities	75	76	75	76
Deferred income	827	941	201	201
Amount owed to subsidiary undertakings	-	-	1,172	1,062
	<u>2,101</u>	<u>2,335</u>	<u>2,377</u>	<u>2,265</u>

During the year intercompany loan balances were written off to the value of £Nil (2020 - £1,566k). All other balances are interest free and repayable on demand.

16. CREDITORS: amounts falling due after one year	Group		Charity	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Finance lease liabilities	25	100	25	100
Deferred income	748	864	-	-
	<u>773</u>	<u>964</u>	<u>25</u>	<u>100</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2021

17. DEFERRED INCOME	Group		Charity	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Balance at 1 April	1,805	2,570	201	121
Amount released to income	(1,604)	(1,171)	-	(105)
Amount deferred in the period	1,374	306	-	185
	<u>1,575</u>	<u>1,805</u>	<u>201</u>	<u>201</u>
Balance at 31 March	<u>1,575</u>	<u>1,805</u>	<u>201</u>	<u>201</u>

EAL Limited deferred income of £1,374,987 (2020: £1,604,821), relating to certification, is fully asset backed.

Deferred income of £200,549 (2020: £200,549) relates to externally funded projects both from customers within and outside of UK with deliverables between 1 to 3 years.

18. FINANCE LEASE AGREEMENTS

The group had the following finance leases in relation to IT equipment:

	2021 £'000	2020 £'000
Due in:		
Less than one year	75	76
One to five years	25	100
	<u>100</u>	<u>176</u>

19. OBLIGATIONS UNDER OPERATING LEASE AGREEMENTS

At 31 March 2021 the group has future minimum lease commitments as follows:

	2021 £'000	2020 £'000
Expiry date		
Less than one year	244	271
One to five years	318	527
	<u>562</u>	<u>798</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2021

20. FUNDS AND RESERVES

	2021 £'000	2020 £'000
General unrestricted reserve		
Group		
At 1 April	28,893	31,384
Realised and unrealised (losses) on investments	4,707	(2,392)
Net movement in funds	(473)	(99)
At 31 March	<u>33,127</u>	<u>28,893</u>
Charity		
At 1 April	28,198	31,431
Realised and unrealised gains on investments	4,707	(2,392)
Net movement in funds	(513)	(841)
At 31 March	<u>32,392</u>	<u>28,198</u>

21. NET ASSETS/LIABILITIES

	Group		Charity	
	Unrestricted funds	Unrestricted funds	Unrestricted funds	Unrestricted funds
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Tangible fixed assets	105	187	105	187
Investments	31,686	28,953	31,686	28,953
Current assets	4,210	3,052	3,003	1,423
Current liabilities	(2,101)	(1,622)	(2,377)	(2,265)
Non-current liabilities	(773)	(1,677)	(25)	(100)
Provisions	-	-	-	-
	<u>33,127</u>	<u>28,893</u>	<u>32,392</u>	<u>28,198</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2021

22. FINANCIAL ASSETS AND LIABILITIES	2021 £'000	2020 £'000
Group		
Financial assets measured at fair value through profit or loss	<u>28,551</u>	<u>23,817</u>

Financial assets measured at fair value through profit or loss include the investments.

23. LIABILITY OF MEMBERS

The charity is constituted as a company limited by guarantee. In the event of the charity being wound up members are required to contribute an amount not exceeding £1.

24. RELATED PARTY TRANSACTIONS

Due to the nature of the charity, most trustees will be associated with organisations which may have a financial relationship with the charity. Opportunity is given for disclosure of any financial or other interest prior to any Board discussions.

All transactions involving organisations in which a member of the Key Management may have an interest are conducted at arm's length and in accordance with Group's financial regulations and normal procurement procedures.

During the year the group incurred cost in relation to consultancy services amounting to £1,015 (2020: £2,707) provided by Anthony Watson. The consultant is a close family member of Group's Chief Executive Officer.

During the year the group incurred cost in relation to services amounting to £30,675 (2020: £101,406) from Get My First Job. One of a number of shareholders of Get My First Job is a close family member of the Group's Chief Operating Officer.

At the year end there were no balances outstanding to or from related parties.