

**REPORT OF THE TRUSTEES AND
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023
FOR
ENGINEERS AGAINST POVERTY**

Magma Audit LLP
Chartered Accountants
Statutory Auditor
Magma House, 16 Davy Court
Castle Mound Way
Rugby
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ENGINEERS AGAINST POVERTY
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for the year ended 31 December 2023

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ENGINEERS AGAINST POVERTY
REPORT OF THE TRUSTEES
for the year ended 31 December 2023

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 December 2023. The trustees have adopted the provisions of 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).

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

03613056 (England and Wales)

Registered Charity number

1071974

Registered office

167-169 Great Portland Street
5th Floor
London
W1W 5PF

Trustees

Professor P Jowitt
J Downham
J Hodges
R Watermeyer
Professor G Ofori
Dr P Parikh
Rupert Sydenham
Mark Harvey

Chair
Treasurer
(resigned 16 March 2023)

(appointed 16 March 2023)

Company Secretary

S Henderson

Auditors

Magma Audit LLP
Chartered Accountants
Statutory Auditor
Magma House, 16 Davy Court
Castle Mound Way
Rugby
CV23 0UZ

Bankers

National Westminster Bank Plc
PO Box 113, Cavell House
2a Charing Cross Road
London
WC2H 0NN

ENGINEERS AGAINST POVERTY
REPORT OF THE TRUSTEES
for the year ended 31 December 2023

REFERENCE AND ADMINISTRATIVE DETAILS

The following people were employed by EAP during 2023 and up to the date of the report:

Petter Matthews - Executive Director
John Hawkins - Head of Programmes
Sean Henderson- Senior Finance & Administration Officer
Evelyn Hernandez- Head of Members & Affiliates
Maria Prado - Senior Policy & Advocacy Adviser
Lauren Nelson-Pemberton - Communications Manager
Melina San Martin - Programme Manager (appointed 8 February 2024)

FINANCIAL INSTRUMENTS

The principal financial instruments of the charity comprise bank balances, other receivables and other payables. The main purpose of these instruments is to raise funds for the charity's operations and to finance its continuing operations. Liquidity risk is managed by the use of a bank balance along with efficient monitoring of cash flows to ensure there are sufficient funds to meet liabilities.

MANAGEMENT OF MAJOR RISKS

The trustees retain responsibility for a system of internal control that is designed to manage major risks. These systems provide reasonable but not absolute assurance against inappropriate or ineffective use of resources and against the risk of errors or fraud. The trustees delegate authority to the Executive Director to conduct regular reviews of the major strategic and operational risks that Engineers Against Poverty (EAP) faces and the ways in which they are being monitored, managed and mitigated. The outcomes of this review are reported to the trustees by the Executive Director and changes in policy are made where necessary. The trustees are satisfied with the systems in place to monitor, manage and mitigate EAP's exposure to major risks.

OBJECTIVES AND ACTIVITIES

Objects

The objects of the Charity are for the relief of poverty in particular by assisting in the provision of engineering support for projects and programmes for the relief of poverty anywhere in the world.

Our Approach

Our goal is to scale-up our influence on global infrastructure policy and practice to promote sustainable social, climate and economic impacts that contribute towards the elimination of poverty.

Our goal is centered around three areas of work, to:

- Improve infrastructure, governance and public investment management through increased transparency, participation and accountability;
- Foster social equity and inclusive growth through fair opportunities for local enterprises as well as decent jobs and working conditions; and
- Mitigate the impact of climate change on the poor and vulnerable through sustainable and resilient infrastructure

How We Achieve Our Goal

We achieve our goal by producing innovative knowledge products. For the most part these are concise policy and practice briefings which draw on our existing and new research and provide evidence, analysis and policy and/or practice recommendations.

Our knowledge products are core to our advocacy strategy which sees that we act as a trusted adviser to governments, international institutions, the private sector and civil society and that we facilitate multi-stakeholder partnerships to build capacity in the sector.

Policies

The trustees are responsible for establishing the policies that guide the work of the Charity. These policies are designed to make the most effective and efficient use of the resources at its disposal. They are also designed to ensure that EAP meets its obligations to its project partners, corporate and individual supporters and staff. Responsibility for implementing these policies on a day-to-day basis is delegated to the Executive Director who reports to the trustees on a regular basis.

Restrictions

There are no restrictions in the governing documents as to how Engineers Against Poverty may operate.

ENGINEERS AGAINST POVERTY
REPORT OF THE TRUSTEES
for the year ended 31 December 2023

Investment Powers

There are no powers to make investments other than in bank accounts and there is no intention to build up an investment fund.

Charitable Contributions

All programme expenditure is for charitable purposes, but no direct contributions for charitable purposes have been made.

PUBLIC BENEFIT

The trustees have noted the duty in section 4 of the Charities Act 2006 and the guidance of the Charity Commission with regard to public benefit. All our activities are for the public benefit, but we highlight in particular:

Our promotion of transparency and accountability in infrastructure investment benefits a broad section of the public. The benefits are realised through obtaining better value from public investment and delivering better quality infrastructure and services. All those who pay taxes and use public services are likely to benefit.

Our policy work directly influences high-level decision makers in governments and international agencies. Because of our advice public policy is more closely aligned with the needs of poor and marginalised people.

Our capacity building support strengthens institutions and empowers individuals. Institutions become more effective and individuals are better able to secure their rights and realise their potential.

Our outreach work informs and empowers people. It provides practical solutions to the problems of poverty aimed at policy makers and practitioners. It also provides data that is useful to researchers and can contribute to better public policy.

ACHIEVEMENTS AND PERFORMANCES

EAP Anniversary

We celebrated our 25th anniversary and our achievements during this period through a hybrid event in London. We also used this opportunity to launch a new report entitled, Building Resilience Through Participation. Many of the partners that we have worked with previously joined and contributed to the event. They included: FCDO; Imperial College; The Royal Academy of Engineering; FIDIC; Oxford University; University College London; Makerere University Business School; thinkIT and Mott MacDonald.

Building Resilience Through Participation

Our report, Building resilience through participation: Mapping interdependencies and climate-related risks of infrastructure systems in Uganda, examines the impact of community-led solutions in tackling climate change.

Engineers Against Poverty, Makerere University Business School and digital company thinkIT developed the report together, with funding provided by the Institution of Civil Engineers. Importantly, the report provides an innovative new framework aimed at helping communities to manage climate and infrastructure risks.

As the frequency and severity of climate events increase, the report will provide a valuable resource to help affected communities participate in and influence the critical decisions that affect their lives.

Thought Leadership

In 2023, EAP published innovative ideas and challenged established conventions on a range of issues including gender equality; the disproportionate impact of Grenfell on poor and marginalised people and the link between corruption, poverty and natural disasters.

We wrote an article on the Grenfell Tower Inquiry, the fire's victims and the institutional failure of UK housing and infrastructure. In the wake of the Turkey-Syria earthquake, we commissioned Hogan Lovells to consider how corruption and poverty increased the death toll resulting from struck regions of South-East Türkiye in February. The report was presented to the UN Special Rapporteur on this subject.

CoST - The Infrastructure Transparency Initiative

EAP continued to host the International Secretariat of CoST - the Infrastructure Transparency Initiative (CoST). CoST works with countries and cities across four continents and is one of the leading global organisations working to improve transparency, accountability and participation in infrastructure investments. Some examples of its successes are listed below:

ENGINEERS AGAINST POVERTY
REPORT OF THE TRUSTEES
for the year ended 31 December 2023

CoST Member Achievements

- CoST Guatemala secured commitments on infrastructure transparency in health and education in the OGP action plan.
- CoST Jalisco supported the municipality of Guadalajara with the creation and launch of two new open data platforms focused on Open Contracting and Public Projects.
- CoST Uganda won the Basel Institute on Governance's Southern Africa Anti-Corruption Collective Action Award.
- Over 7,000 projects were disclosed using the CoST IDS and almost 11,000 projects disclosed in total from members in 2023.
- There were over 200 awareness raising events; thousands of government, civil society, media and private sector representatives trained and almost 60 media appearances and mentions.
- CoST welcomed new members, Kaduna in Nigeria and Nusa Tenggara Barat Province in Indonesia. We ran training for CoST Kaduna MSG members in December.

CoST International Secretariat Achievements

- CoST worked with the Open Contracting Partnership (OCP) to review and strengthen the Open Contracting for Infrastructure Data Standard (OC4IDS)'s and the Infrastructure Data Standard. These standards are now widely considered to be examples of international best practice.
- CoST worked with the Water Integrity Network to produce a report on lessons learned from piloting a new tool to identify risks in water infrastructure. Their data points highlight the importance of ensuring water and climate infrastructure supports those who need it the most.
- Working with the World Bank, CoST trained hundreds of senior decision-makers around the world on improving transparency, participation and accountability in public procurement through a series of webinars.
- CoST launched the Infrastructure Transparency Index (ITI) website. The ITI measures levels of transparency and quality of disclosure processes related to public infrastructure. Collaboratively designed and based on international good practice and lessons learnt, its objective is to improve accountability and transparency performance at procuring entity level.
- CoST team members were invited to contribute to a range of international events and engage thousands of people worldwide. This included an Open Government Partnership (OGP) Partner session on open government reforms; a discussion at the World Bank Anti Corruption Global Forum on restoring trust; a Knowledge Partner OECD session on Incentivizing integrity in infrastructure and a panel on transparency initiatives at the Southern Africa Anti-Corruption Collective Action Forum.

Support of Organisations

The work of EAP would not have been possible without the tremendous support of a range of organisations including:

Adam Smith International
Confederation of International Contractors' Associations
CoST - the Infrastructure Transparency Initiative
International Federation of Consulting Engineers
Foreign Commonwealth and Development Office Hogan Lovells
Institution of Chemical Engineers Institution of Engineers Rwanda London Southbank University
PwC
Royal Academy of Engineering

Support of Individuals

The trustees express their sincere gratitude to all the individuals who have supported the Charity's work in 2023 but are too numerous to mention here.

FINANCIAL REVIEW

Accounts

The accounts for the year ended 31 December 2023 are shown in this annual report. The trustees consider that the reserves are sufficient to meet its needs and obligations. All funds are held on short term deposit.

ENGINEERS AGAINST POVERTY
REPORT OF THE TRUSTEES
for the year ended 31 December 2023

Unrestricted Fund

The balance of unrestricted funds at 31 December 2023 was £335,086 (2022: £373,263) and restricted funds was £nil (2022: £1,741).

Reserves

The trustees have established a Reserves Policy that considers the level of reserves sufficient to protect the organisation and its charitable programme by providing time to adjust to changing financial circumstances. This limits the risk of disruption to the programme in the event of a shortfall in any of EAP's various sources of income, or an unexpected need for additional expenditure. On 9 June 2022 we reviewed our reserves policy to reflect our reduced operating costs and the scaling down of some of our programmes. The new reserves figure will cover six months operating costs, our office lease and other commitments. The trustees consider this level of reserves to be acceptable. At the year-end there were unrestricted funds of £335,086. Of this £215,458 is considered by the trustees to be held as reserves. £119,628 of the unrestricted funds is considered to be free reserves which EAP will use to carry out its charitable objectives.

Going Concern

In recent years the pandemic, cutbacks in Official Development Assistance and shifting priorities amongst our traditional supporters combined to reduce our income. The trustees believe that we have come through that difficult period and that our financial position is strengthening. We are projecting a surplus in 2024 supported by CoST's new funding agreement with FCDO for 2023/2024 of £1Million, our involvement in the Green Cities and Infrastructure Programme (GCIP), the Expert Advisory Call Down Services and the Royal Academy of Engineering's Africa Catalyst Programme. Whilst we will continue to face challenges, the Trustees have determined that they do not create a material uncertainty that casts significant doubt upon the charity's ability to continue as a going concern.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of Engineers Against Poverty for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

The auditors, Magma Audit LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the board of trustees on ~~...24 September 2024~~..... and signed on its behalf by:



.....
J Downham - Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF ENGINEERS AGAINST POVERTY

Opinion

We have audited the financial statements of Engineers Against Poverty (the 'charitable company') for the year ended 31 December 2023 which comprise the Statement of Financial Activities, the Statement of Financial Position, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2023 and of its 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, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the 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

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. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors 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 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 the audit:

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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 or returns adequate for our audit have not been received from branches not visited by us; or
- the 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; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF ENGINEERS AGAINST POVERTY

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, 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.

Our 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 a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the charity and the industry, we have identified that the principal risks of non-compliance with laws and regulations and we have considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as Companies Act 2006 and The Charities Statement of Recommended Practice (SORP). We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting inappropriate journal entries, and management bias in accounting estimates. Audit procedures performed included:

- Enquiries with management for consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Challenging assumptions made by management in their accounting estimates, such as those used to assess recoverability of accrued income and the ability to continue as a going concern;
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations, journal entries crediting revenue, journal entries crediting cash and journal entries with specific defined descriptions.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting in error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentation, or through collusion.

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 Report of the Independent Auditors.

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 auditors' 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.



Victoria Craig (Senior Statutory Auditor)
for and on behalf of Magma Audit LLP
Chartered Accountants
Statutory Auditor
Magma House, 16 Davy Court
Castle Mound Way
Rugby
CV23 0UZ

Date: 24 September 2024

ENGINEERS AGAINST POVERTY

STATEMENT OF FINANCIAL ACTIVITIES for the year ended 31 December 2023

	Notes	Unrestricted fund £	Restricted fund £	2023 Total funds £	2022 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	1,760	-	1,760	441
Charitable activities	4				
Grant from other institutions		1,500	-	1,500	34,274
Consultancy fees		123,689	-	123,689	-
CoST Charity		425,044	28,388	453,432	357,459
Investment income	3	2,727	-	2,727	521
Total		554,720	28,388	583,108	392,695
EXPENDITURE ON					
Raising funds	5	59,390	-	59,390	54,478
Charitable activities	6				
Resources expended		505,508	28,388	533,896	409,190
Other		29,740	-	29,740	27,747
Total		594,638	28,388	623,026	491,415
NET INCOME/(EXPENDITURE)		(39,918)	-	(39,918)	(98,720)
Transfers between funds	15	1,741	(1,741)	-	-
Net movement in funds		(38,177)	(1,741)	(39,918)	(98,720)
RECONCILIATION OF FUNDS					
Total funds brought forward		373,263	1,741	375,004	473,724
TOTAL FUNDS CARRIED FORWARD		335,086	-	335,086	375,004

The notes form part of these financial statements

ENGINEERS AGAINST POVERTY
STATEMENT OF FINANCIAL POSITION
31 December 2023

	Notes	Unrestricted fund £	Restricted fund £	2023 Total funds £	2022 Total funds £
CURRENT ASSETS					
Debtors	12	189,957	-	189,957	265,349
Cash in hand		269,502	-	269,502	158,865
		<u>459,459</u>	<u>-</u>	<u>459,459</u>	<u>424,214</u>
CREDITORS					
Amounts falling due within one year	13	(124,373)	-	(124,373)	(49,210)
		<u>335,086</u>	<u>-</u>	<u>335,086</u>	<u>375,004</u>
NET CURRENT ASSETS					
		<u>335,086</u>	<u>-</u>	<u>335,086</u>	<u>375,004</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>335,086</u>	<u>-</u>	<u>335,086</u>	<u>375,004</u>
NET ASSETS		<u>335,086</u>	<u>-</u>	<u>335,086</u>	<u>375,004</u>
FUNDS	15				
Unrestricted funds				335,086	373,263
Restricted funds				-	1,741
TOTAL FUNDS				<u>335,086</u>	<u>375,004</u>

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees and authorised for issue on 24 September 2024 and were signed on its behalf by:



.....
P Jowitt - Trustee



.....
J Downham - Trustee

ENGINEERS AGAINST POVERTY

STATEMENT OF CASH FLOWS
for the year ended 31 December 2023

	Notes	2023 £	2022 £
Cash flows from operating activities			
Cash generated from operations	1	<u>107,910</u>	<u>(314,293)</u>
Net cash provided by/(used in) operating activities		<u>107,910</u>	<u>(314,293)</u>
Cash flows from investing activities			
Interest received		<u>2,727</u>	<u>521</u>
Net cash provided by investing activities		<u>2,727</u>	<u>521</u>
Change in cash and cash equivalents in the reporting period		<u>110,637</u>	<u>(313,772)</u>
Cash and cash equivalents at the beginning of the reporting period		<u>158,865</u>	<u>472,637</u>
Cash and cash equivalents at the end of the reporting period		<u><u>269,502</u></u>	<u><u>158,865</u></u>

The notes form part of these financial statements

ENGINEERS AGAINST POVERTY

NOTES TO THE STATEMENT OF CASH FLOWS for the year ended 31 December 2023

1. RECONCILIATION OF NET EXPENDITURE TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2023 £	2022 £
Net expenditure for the reporting period (as per the Statement of Financial Activities)	(39,918)	(98,720)
Adjustments for:		
Depreciation charges	-	510
Interest received	(2,727)	(521)
Decrease/(increase) in debtors	75,392	(184,935)
Increase/(decrease) in creditors	75,163	(30,627)
Net cash provided by/(used in) operations	107,910	(314,293)

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1/1/23 £	Cash flow £	At 31/12/23 £
Net cash			
Cash at bank and in hand	158,865	110,637	269,502
	<u>158,865</u>	<u>110,637</u>	<u>269,502</u>
Total	158,865	110,637	269,502

ENGINEERS AGAINST POVERTY
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2023

1. ACCOUNTING POLICIES

Company status

The company is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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)', the Charities Act 2011 and the Companies Act 2006.

The presentational currency of the financial statements is Sterling (£).

Going concern

The trustees have assessed the financial position of the charitable company following the net expenditure for the prior and current year. At 31 December 2023 the charity had net current assets of £335,086 (2022: £375,004) and net assets of £335,086 (2022: £375,004). The trustees have assessed future forecasts and consider the charity to have sufficient resources to meet its liabilities as they fall due for at least twelve months from the signing of financial statements and have therefore prepared the financial statements on a going concern basis.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Donated services or facilities are included in income at a valuation which is an estimate of the financial cost borne by the donor where such a cost is quantifiable and measurable. No income is recognised where there is no financial cost borne by a third party.

Consultancy income and income from The Construction Sector Transparency Initiative is recognised once work is completed, excluding value added tax.

Income tax recoverable in relation to donations received under Gift Aid or deed of covenant is recognised at the time of the donation.

Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources. Support costs are those costs incurred directly in support of expenditure on the objects of the charitable company. Irrecoverable VAT is shown in the category of resources expended for which it was incurred.

Charitable activities include direct expenditure associated with providing the charitable services and support costs relating to those activities.

Other resources expended consist of governance costs which include those incurred in the governance of the charitable company and are primarily associated with constitutional and statutory requirements.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical costs 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 useful lives, using a straight line basis, as indicated below.

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 December 2023

1. ACCOUNTING POLICIES - continued**Tangible fixed assets and depreciation**

Depreciation is provided on the following basis:

Office equipment and website development	- Over 3 years
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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 financial activities.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The charity's restricted fund relates to an element of income received from The Construction Sector Transparency Initiative (CoST) of which is restricted to support CoST in achieving their objective of 'helping participating countries deliver better value from public infrastructure'.

Foreign currencies

At each year end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at the year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of financial activities.

Pensions

The charity contributes to a defined contribution pension scheme. Contributions are charged to the Statement of Financial Activities as they become payable.

Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Financial instruments**(i) Financial assets**

Basic financial assets, including trade and other debtors, cash and bank balances are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest rate method.

(ii) Financial liabilities

Basic financial liabilities, including trade and other creditors are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

ENGINEERS AGAINST POVERTY

NOTES TO THE FINANCIAL STATEMENTS - continued for the year ended 31 December 2023

2. DONATIONS AND LEGACIES

	2023	2022
	£	£
Sponsored fundraising events	1,400	-
Donations	135	4
Appeals	225	437
	<u>1,760</u>	<u>441</u>

3. INVESTMENT INCOME

	2023	2022
	£	£
Interest receivable	2,727	521
	<u>2,727</u>	<u>521</u>

4. INCOME FROM CHARITABLE ACTIVITIES

	Activity	2023	2022
		£	£
Institution of Civil Engineers	Grant from other institutions	1,500	28,500
LSBU	Grant from other institutions	-	5,774
Consultancy fees	Consultancy fees	123,689	-
CoST	CoST Charity	453,432	357,459
		<u>578,621</u>	<u>391,733</u>

5. RAISING FUNDS

Raising donations and legacies

	2023	2022
	£	£
Staff costs	58,954	53,651
	<u>58,954</u>	<u>53,651</u>

Other trading activities

	2023	2022
	£	£
Bank charges	436	317
Depreciation	-	510
	<u>436</u>	<u>827</u>

Aggregate amounts	<u>59,390</u>	<u>54,478</u>
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ENGINEERS AGAINST POVERTY

NOTES TO THE FINANCIAL STATEMENTS - continued for the year ended 31 December 2023

6. CHARITABLE ACTIVITIES COSTS

	Total Funds 2023 £	Total Funds 2022 £
Provision of charitable services:		
Wages	245,534	215,464
Travel and subsistence	5,080	6,135
Consultancy costs	171,073	47,159
Support costs	112,209	140,432
	533,896	409,190

Analysis of support services is as follows:-

	Total Funds 2023 £	Total Funds 2022 £
Wages	68,146	61,468
Rent and other services	8,242	23,635
Insurance	6,004	6,223
Postage and stationery	4,334	3,089
Sundries	7,452	19,514
Subscriptions	534	1,494
IT and communications	13,704	18,009
Repairs and renewals	-	1,770
Professional fees	3,793	5,230
	112,209	140,432

7. SUPPORT COSTS

	Governance costs £
Other resources expended	29,740

Support costs, included in the above, are as follows:

	2023 Other resources expended £	2022 Total activities £
Wages	21,160	19,827
Auditors remuneration	8,580	7,920
	29,740	27,747

ENGINEERS AGAINST POVERTY

NOTES TO THE FINANCIAL STATEMENTS - continued for the year ended 31 December 2023

8. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2023	2022
	£	£
Auditors remuneration	8,580	7,920
Depreciation - owned assets	-	510
Pension costs	10,696	9,674
Operating lease commitments	8,087	23,635
	<u>8,087</u>	<u>23,635</u>

9. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2023 nor for the year ended 31 December 2022.

Trustees' expenses

During the year, trustees received expenses of £1,501 (2022: £347) for travel and other expenses.

10. STAFF COSTS

	2023	2022
	£	£
Wages and salaries	325,648	288,942
	<u>325,648</u>	<u>288,942</u>

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

	2023	2022
Administration and directorate	3	3
Project Programme Officers	3	3
	<u>6</u>	<u>6</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2023	2022
£60,001 - £70,000	-	1
£70,001 - £80,000	1	1
£80,001 - £90,000	1	1
£90,001 - £100,000	1	-
	<u>3</u>	<u>3</u>

ENGINEERS AGAINST POVERTY

**NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 December 2023**

11. TANGIBLE FIXED ASSETS

	Website £	Office equipment £	Totals £
COST			
At 1 January 2023 and 31 December 2023	<u>2,393</u>	<u>11,511</u>	<u>13,904</u>
DEPRECIATION			
At 1 January 2023 and 31 December 2023	<u>2,393</u>	<u>11,511</u>	<u>13,904</u>
NET BOOK VALUE			
At 31 December 2023	<u>-</u>	<u>-</u>	<u>-</u>
At 31 December 2022	<u>-</u>	<u>-</u>	<u>-</u>

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023 £	2022 £
Trade debtors	18	9,518
Accrued income	179,805	240,992
Other debtors	7,191	7,071
VAT	826	34
Prepayments	2,117	7,734
	<u>189,957</u>	<u>265,349</u>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023 £	2022 £
Trade creditors	59,403	23,234
Other creditors	10,312	8,565
Accruals and deferred income	54,658	17,411
	<u>124,373</u>	<u>49,210</u>

14. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2023 £	2022 £
Within one year	<u>-</u>	<u>5,460</u>

15. MOVEMENT IN FUNDS

	At 1/1/23 £	Net movement in funds £	Transfers between funds £	At 31/12/23 £
Unrestricted funds				
General fund	373,263	(39,918)	1,741	335,086
Restricted funds				
Restricted	1,741	-	(1,741)	-
TOTAL FUNDS	<u>375,004</u>	<u>(39,918)</u>	<u>-</u>	<u>335,086</u>

ENGINEERS AGAINST POVERTY

**NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 December 2023**

15. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	554,720	(594,638)	(39,918)
Restricted funds			
Restricted	28,388	(28,388)	-
TOTAL FUNDS	583,108	(623,026)	(39,918)

Comparatives for movement in funds

	At 1/1/22 £	Net movement in funds £	At 31/12/22 £
Unrestricted funds			
General fund	464,983	(91,720)	373,263
Restricted funds			
Restricted	8,741	(7,000)	1,741
TOTAL FUNDS	473,724	(98,720)	375,004

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	373,824	(465,544)	(91,720)
Restricted funds			
Restricted	18,871	(25,871)	(7,000)
TOTAL FUNDS	392,695	(491,415)	(98,720)

A current year 12 months and prior year 12 months combined position is as follows:

	At 1/1/22 £	Net movement in funds £	Transfers between funds £	At 31/12/23 £
Unrestricted funds				
General fund	464,983	(131,638)	1,741	335,086
Restricted funds				
Restricted	8,741	(7,000)	(1,741)	-
TOTAL FUNDS	473,724	(138,638)	-	335,086

ENGINEERS AGAINST POVERTY

NOTES TO THE FINANCIAL STATEMENTS - continued for the year ended 31 December 2023

15. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	928,544	(1,060,182)	(131,638)
Restricted funds			
Restricted	47,259	(54,259)	(7,000)
TOTAL FUNDS	<u>975,803</u>	<u>(1,114,441)</u>	<u>(138,638)</u>

16. EMPLOYEE BENEFIT OBLIGATIONS

At the year end the total pensions payable were £5,087 (2022: £5,071).

17. RELATED PARTY DISCLOSURES

Engineers Against Poverty undertakes the day to day management and finance function of a connected charity. Petter Matthews, the Executive Director of Engineers Against Poverty, is also a Trustee of the connected charity. During the year, the Engineers Against Poverty recharged £453,432 (2022: £357,459) relating to workshop costs and staff time incurred on behalf of the connected charity. At the year end included in debtors there was accrued income of £53,206 (2022: £230,992). The recharge includes an element of Petter Matthew's time.

ENGINEERS AGAINST POVERTY
DETAILED STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 31 December 2023

	Unrestricted funds £	Restricted funds £	2023 Total funds £	2022 Total funds £
INCOME AND ENDOWMENTS				
Donations and legacies				
Sponsored fundraising events	1,400	-	1,400	-
Donations	135	-	135	4
Appeals	225	-	225	437
	<u>1,760</u>	<u>-</u>	<u>1,760</u>	<u>441</u>
Investment income				
Interest receivable	2,727	-	2,727	521
Charitable activities				
Consultancy fees	123,689	-	123,689	-
CoST	425,044	28,388	453,432	357,459
Institution of Civil Engineers	1,500	-	1,500	28,500
LSBU	-	-	-	5,774
	<u>550,233</u>	<u>28,388</u>	<u>578,621</u>	<u>391,733</u>
Total incoming resources	554,720	28,388	583,108	392,695
EXPENDITURE				
Raising donations and legacies				
Wages	58,954	-	58,954	53,651
Other trading activities				
Bank charges	436	-	436	317
Depreciation of tangible fixed assets	-	-	-	510
	<u>436</u>	<u>-</u>	<u>436</u>	<u>827</u>
Charitable activities				
Wages	245,534	-	245,534	215,464
Sundries	-	28,388	28,388	13,871
Support costs	254,894	-	254,894	173,720
Travel and subsistence	5,080	-	5,080	6,135
	<u>505,508</u>	<u>28,388</u>	<u>533,896</u>	<u>409,190</u>
Support costs				
Governance costs				
Wages	21,160	-	21,160	19,827
Auditors remuneration	8,580	-	8,580	7,920
	<u>29,740</u>	<u>-</u>	<u>29,740</u>	<u>27,747</u>
Total resources expended	594,638	28,388	623,026	491,415
Net (expenditure)/income	<u>(39,918)</u>	<u>-</u>	<u>(39,918)</u>	<u>(98,720)</u>

This page does not form part of the statutory financial statements