

Charity Registration No. 1147203

Company Registration No. 07807250 (England and Wales)

**ENGINEERS IN BUSINESS FELLOWSHIP
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

ENGINEERS IN BUSINESS FELLOWSHIP

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Ms I Akpofure Mr M P Astell Mr G A Bazire Mr S J Bonini Mr D A M Falzani Mr H Shah Mr N Thomas Mr H von Spreckelsen Ms M Ogunsulire	(Appointed 2 November 2020)
Secretary	Mrs C M Breeze	
Charity number	1147203	
Company number	07807250	
Registered office	Azets Ventura Park Road Tamworth B78 3HL	
Auditor	Azets Audit Services Ventura House Ventura Park Road Tamworth Staffordshire United Kingdom B78 3HL	

ENGINEERS IN BUSINESS FELLOWSHIP

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ENGINEERS IN BUSINESS FELLOWSHIP

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2021

The Trustees present their report and financial statements for the year ended 31 March 2021.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Charity's Memorandum and Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

Objectives and activities

The charitable objectives are:

To advance education and training for the public benefit, in particular but not exclusively by:

- (a) promoting continuing business education for those in the engineering profession to develop their skills in innovation, better management and governance;
- (b) creating and operating a charitable fund for the support of their continuing education; and by
- (c) developing a network of engineers who are, or who have been, engaged in such education in order to identify and illustrate its merits for the public benefit.

The Trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the Charity should undertake.

Achievements and performance

To support charitable objective (a) promoting continuing business education for those in the engineering profession to develop their skills in innovation, better management and governance:

Sponsoring business competitions at universities has been an effective way for us to engage with young engineering students and engineers. The sponsorship is run in association with leading universities and colleges, leveraging existing competitions or elective modules and existing arrangements within higher and further educational institutions, such as those between engineering departments and affiliated business schools. The competitions encourage young engineers to get involved in business innovation and develop a passion for entrepreneurship at an early stage.

Many of our university partners told us that it has been difficult to reach and engage with students during lockdown. Despite this, 90% of our partner universities were able to hold their competitions. We currently work with 32 universities and hope to expand this number when university education returns to normal. However, we are pleased to report that, notwithstanding the adversity, participation has still been high with 147,198 students receiving EIBF messages and 4,142 students participating in competitions, 3,014 of whom were students studying engineering, computer science and biomedicine.

As well as receiving cash prizes, and possibly being far more valuable, the winning team members are offered ongoing guidance and support from SMF mentors. The EIBF Champion of Champions Final was held in October and 27 universities offered competitors. The online event was broadcast live and over 300 viewers from around the world tuned in. Ten university teams comprising engineering graduates and postgraduates pitched their business innovations in the hope of winning a share of the £10,000 EIB Champions prize fund. Publicity before and after the event reached an audience of 7.2 million. This group included students considering engineering as a course of study, those already studying engineering and engineers, some and engineers, some of whom may be future candidates for Sainsbury Management Fellows' Scholarships.

ENGINEERS IN BUSINESS FELLOWSHIP

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

Our partnership with the Royal Academy of Engineering continues and allows us to interact with the brightest and best young engineers. In addition to mentoring Engineering Leaders Scholarship winners, EIBF participated in the following events:

- The Enterprise Hub was created to help bring about a step change in the success of UK-based, entrepreneurial technology businesses and the contribution they make to economic growth. Some of the UK's most successful entrepreneurs and business leaders are helping to identify and support the most promising and innovative entrepreneurs. Although events were curtailed this year due to COVID-19, SMFs continue to support activities:
 - Richard Smith and Ed Snow continue to offer mentoring support to the Hub Members.
 - Mike Astell and Adam Bazire volunteered to lead ten sessions to small groups of Hub Members on a variety of business topics.
- The Leaders in Innovation Fellowships Programme (LIF) aims to build the business skills of researchers within partner countries of the Newton Fund for entrepreneurship and commercialisation of their research. Cohorts of researchers are selected on the basis of the excellence of their research and the potential of their innovations. They receive training in entrepreneurship, access to and time with expert mentors to develop their business plans and the opportunity to work in teams on a genuine challenge or opportunity faced by a UK-based technology driven organisation. The two-week training is rounded off with a final day of pitches before a panel of judges. This year, John Callaghan and David Falzani MBE were the mentors for this programme and SMFs Richard Smith, Gordon Wylie and Henning von Spreckelsen helped with the judging. Andrew Hogwood, Hersh Shah and Chris Shelley also helped to review applications to the LIF Community Grant Programme which is designed to assist LIF alumni to deliver community building activities around the world.
- The Engineering Leaders' Scholarship selection event in March was supported by SMFs Mike Astell, Rachel Fitzsimmons, Sinead O'Sullivan and Hersh Shah, who all helped to select the new cohort of 38 Engineering Leaders' Scholarship winners.
- Eleven SMF Scholarships were awarded this past year with SMFs Imoni Akpofure, Andrew de Rozairo and Rob Gill participating on the interview panels.

To support charitable objective (b) creating and operating a charitable fund for the support of their (those in the engineering profession) continuing education:

Sainsbury Management Fellows donated £122,000 in FY2020/2021. With interest, Gift Aid and subsequent matching, £262,000 has been added to the Endowment in the past year. The Endowment now stands at £2.1M, a significant step towards our target of £10M, although some way from providing the funds necessary to maintain the Sainsbury Management Fellowship Scheme. Thus far 15% of Sainsbury Management Fellows have contributed; we hope that many more SMFs will step forward to donate over the next few years. Tax efficient giving arrangements have been established for Fellows living in the USA, Belgium, France and Switzerland and more countries will be added as required.

ENGINEERS IN BUSINESS FELLOWSHIP

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

To support charitable objective (c) developing a network of engineers who are, or who have been, engaged in such education in order to identify and illustrate its merits for the public benefit:

SMFs now live in all parts of the world and are involved in many different economic sectors. We continue to engage with our members through regular general newsletter updates via email. Traffic to our website from potential scholarship applicants and corporate donors continues to build, enhanced by interviews with our latest SMF scholarship awardees. These interviews and other promotional messages are pushed out through social media as well to reach the largest target audiences. The majority of SMFs live in the United Kingdom and there is a "critical mass" that regularly attends networking events which include invited guests from industry, government and education. However, due to COVID 19 it was regrettable but necessary that we cancel our Annual Dinner in May and again in November. All activities which could go forward were conducted online. In these circumstances, we were pleased to attract a large and diverse group of SMFs from around the world. In addition, several SMFs volunteered to judge and award prizes at EIBF-sponsored online business competitions:

- In April 2020 Sam Cockerill helped out as a coach and judge at the University of York's Business Innovation and Entrepreneurship event.
- In May 2020 Taha Dar served as a judge at Anglia Ruskin University's Grand Final of The Big Pitch event.
- In November 2020 Mike Astell gave a presentation on SMF and presented the EIB Competition Prizes at Lancaster University.
- In October 2020 at the online Champion of Champions Competition, SMFs Chris Hughes, Henning von Spreckelsen and Chirag Shah talked, as motivational speakers, about their own entrepreneurial journeys.
- In November 2020 Taha Dar volunteered to be a case study and mentor for Ingenuity, a national programme looking to develop and invest in the next generation of impact driven start-ups.

In February 2021 George Fowkes and Simon Fowles took part in the judging process at Kingston's virtual Bright Ideas Competition and Cathy Breeze awarded the prizes to very grateful students.

- In March 2021 Julia Nammuni and Sinead O'Sullivan helped us to celebrate International Women's Day by contributing their stories about challenges they faced and Hersh Shah was a guest panellist at University of Exeter's Elevate 2021 Competition.
- Several SMFs graciously stepped forward to help the University of Warwick provide career planning and advice sessions for their Engineering Business Management students: Chris Mannion, Sagnik Mukherjee, Tony Nolan, and Sam Venin. The University of Warwick was absolutely delighted with their offers of help.
- Many SMFs volunteered to be mentors to EIBF business competition winners and also agreed to be case studies.
- In January 2021, 24 SMFs 'took part' or 'appeared' online for the SMF Investor Group Networking Event. SMF Michael Hill hosted this fast-paced session with presentations by Chirag Shah, Ed Snow, Stephen Sheridan and Ana Avaliani, Director, Enterprise and Sustainable Development at the RAEng. The focus was on how companies have had to adapt and, in particular, raise capital in volatile markets. The aim of the group is to form a network that can connect, invest and build earlier stage companies.

Scholarships and Grants
Eleven scholarships totalling £550,000 were awarded.
The awardees included ten men and one woman. The business school destinations include: Harvard (1), MIT (2), INSEAD (2), Imperial (2), Stanford (1) and LBS (3).

ENGINEERS IN BUSINESS FELLOWSHIP

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

Financial review

The charity is largely dependent on income donated from its supporters, giving rise to such income of £878,581. Of this, £165,000 was unrestricted, £550,000 restricted and £163,581 in respect of the endowment funds. Overall income exceeded expenditure in the year by £22,112, increasing total reserves at the year end to £2,127,925

The Scholarship expendable endowment fund amounts to £2,084,494 as at 31 March 2021, and is being built to support the educational objectives of the charity long term.

Reserves policy

It is the policy of the charity that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's operational expenditure. The trustees consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised.

The charity has a 2-3 year funding plan with Gatsby for unrestricted funds that is paid on an annual basis at the beginning of each financial year. We anticipate being able to continue maintaining this minimum level of unrestricted funds, in line with our policy.

Investments

The endowment funds are held in cash, in interest bearing deposit accounts and 12 month term deposits split between three AAA rated UK High Street banks. The trustees are in the process of reviewing the charity's investment policy following the building up of the endowment fund.

Risks

The Trustees has assessed the major risks to which the Charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

COVID-19

COVID-19 had an effect on the activities and results for 2020/21, though this has been limited. Since our operating income is largely from the Gatsby Charitable Foundation, the C-19 situation did not materially affect our income. The key charitable aims have continued through the use of virtual rather than in-person activities, with the core programmes of awarding of scholarships and the Business Competition largely unaffected.

Although COVID-19 restrictions continue into the 2021/22 year, there is negligible pandemic-related threat to the continuation of EIBF as a going concern.

Future Plans

To support charitable objective (a) promoting continuing business education for those in the engineering profession to develop their skills in innovation, better management and governance:

When Covid 19 restrictions are fully lifted, we hope to expand our Business Competition from 32 universities to many more. We will hold our Champion of Champions Final for the students who participated in the business competitions in October 2021, albeit in an online format.

Our activities to promote business education to young engineers will continue with the Royal Academy of Engineering. These include mentoring, helping to develop the Enterprise Hub and selecting and teaching the Engineering Leadership Scholarship Winners who are the UK's top undergraduate engineering students.

To support charitable objective (b) creating and operating a charitable fund for the support of their (those in the engineering profession) continuing education:

We will continue to approach our members for their support and suggest ways in which they can become involved.

ENGINEERS IN BUSINESS FELLOWSHIP

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

To support charitable objective (c) developing a network of engineers who are, or who have been, engaged in such education in order to identify and illustrate its merits for the public benefit:

We are now focussing our efforts on Sainsbury Management Fellowship Award Winners as soon as they have been awarded their scholarships (as opposed to when they graduate from business school). This early adoption has helped to encourage participation and expansion of our networking activities.

Social media has become increasingly important in publicising the achievements both corporate and entrepreneurial of the SMF network.

The SMF Investor Group met online in January 2021 and was attended by 24 SMFs. The group shared knowledge, skills and opportunities. The SMF Investor Group members are now networking amongst themselves in the current Covid 19 environment. An SMF Energy/ Sustainable Development Group meeting has been planned for June 2021.

Structure, governance and management

The Charity is a company limited by guarantee, having no share capital. The Charity was incorporated in England and Wales on 12 October 2011 and registered with the Charity Commission on 11 May 2012.

Engineers in Business Fellowship (EIBF) is also known as The Sainsbury Management Fellows' Society (SMFS) or The Sainsbury Management Fellowship (SMF).

The Trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Ms I Akpofure	
Mr M P Astell	
Mr G A Bazire	
Mr S J Bonini	
Mr D A M Falzani	
Mr H Shah	
Mr N Thomas	
Mr H von Spreckelsen	
Mr D M Weston	(Resigned 2 November 2020)
Mr P Dolan	(Deceased 10 April 2020)
Ms M Ogunsulire	(Appointed 2 November 2020)

All Trustees, with the exception of Mr N Thomas, are recruited from members of Engineers in Business Fellowship and have each received a Sainsbury Management Fellowship Award, which helped them study for a MBA at a leading international business school. The awards began in 1987 and are administered by the Royal Academy of Engineering.

None of the Trustees has any beneficial interest in the company.

Members of the company guarantee to contribute £1 in the event of a winding up.

Engineers in Business Fellowship is governed by a Board of 9 Trustees who are committed to the objects of the Charity. Board member expertise includes, finance, accounting, management, marketing and information technology.

The Trustees receive no remuneration.

ENGINEERS IN BUSINESS FELLOWSHIP

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) *FOR THE YEAR ENDED 31 MARCH 2021*

Auditor

In accordance with the company's articles, a resolution proposing that Azets Audit Services be reappointed as auditor of the company will be put at a General Meeting.

The trustees' report was approved by the Board of Trustees.

Mr G A Bazire

Trustee

Dated: 31 October 2021

ENGINEERS IN BUSINESS FELLOWSHIP

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2021

The Trustees, who are also the directors of Engineers in Business Fellowship for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 Charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

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

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

The Trustees are responsible for keeping adequate accounting records that 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. 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.

ENGINEERS IN BUSINESS FELLOWSHIP

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF ENGINEERS IN BUSINESS FELLOWSHIP

Opinion

We have audited the financial statements of Engineers in Business Fellowship (the 'Charity') for the year ended 31 March 2021 which comprise the statement of financial activities, the summary income and expenditure account, the balance sheet, the statement of cash flows and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2021 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the 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 Charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

ENGINEERS IN BUSINESS FELLOWSHIP

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF ENGINEERS IN BUSINESS FELLOWSHIP

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

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

Responsibilities of Trustees

As explained more fully in the statement of trustees' responsibilities, the Trustees, who are also the directors of the Charity for the purpose 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 Charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the 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

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

ENGINEERS IN BUSINESS FELLOWSHIP

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF ENGINEERS IN BUSINESS FELLOWSHIP

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 design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the entity through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Mr Mark Jackson FCA DChA (Senior Statutory Auditor)
for and on behalf of Azets Audit Services

1 November 2021

Chartered Accountants
Statutory Auditor

Ventura House
Ventura Park Road
Tamworth
Staffordshire
B78 3HL

Azets Audit Services is eligible for appointment as auditor of the Charity by virtue of its eligibility for appointment as auditor of a company under of section 1212 of the Companies Act 2006.

ENGINEERS IN BUSINESS FELLOWSHIP

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2021

	Notes	Unrestricted funds 2021 £	Restricted funds 2021 £	Endowment funds 2021 £	Total Unrestricted funds 2021 £	Total Unrestricted funds 2020 £	Restricted funds 2020 £	Endowment funds 2020 £	Total 2020 £
Income from:									
Donations and legacies	3	165,000	550,000	163,581	878,581	132,000	788,000	317,845	1,237,845
Charitable activities	4	15,608	-	-	15,608	3,292	-	-	3,292
Investments	5	-	407	11,852	12,259	-	202	11,335	11,537
Total income and endowments		180,608	550,407	175,433	906,448	135,292	788,202	329,180	1,252,674
Expenditure on:									
Charitable activities	6	122,954	761,382	-	884,336	162,431	707,600	-	870,031
Net movement in funds		57,654	(210,975)	175,433	22,112	(30,291)	54,614	358,320	382,643
Gross transfers between funds		-	-	-	-	(3,152)	(25,988)	29,140	-
Net movement in funds		57,654	(210,975)	175,433	22,112	(30,291)	54,614	358,320	382,643
Fund balances at 1 April 2020		(1,780)	198,532	1,909,061	2,105,813	28,511	143,918	1,550,741	1,723,170
Fund balances at 31 March 2021		55,874	(12,443)	2,084,494	2,127,925	(1,780)	198,532	1,909,061	2,105,813

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

ENGINEERS IN BUSINESS FELLOWSHIP

SUMMARY INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2021

	All income funds 2021 £	2020 £
Gross income	731,015	923,494
Transfer to endowment funds	-	(29,140)
	<hr/>	<hr/>
Total income in the reporting period	731,015	894,354
	<hr/>	<hr/>
Total expenditure from income funds	884,336	870,031
	<hr/>	<hr/>
Net (expenditure)/income for the year	(153,321)	24,323
	<hr/>	<hr/>

ENGINEERS IN BUSINESS FELLOWSHIP

BALANCE SHEET

AS AT 31 MARCH 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Investments	11	2,020,847		1,890,742	
Current assets					
Debtors	12	234		15,203	
Cash at bank and in hand		115,683		223,603	
		<u>115,917</u>		<u>238,806</u>	
Creditors: amounts falling due within one year	13	<u>(8,839)</u>		<u>(23,735)</u>	
Net current assets			107,078		215,071
Total assets less current liabilities			<u>2,127,925</u>		<u>2,105,813</u>
Capital funds					
<u>Endowment funds - general</u>					
Expendable endowment		2,084,494		1,909,061	
	14		2,084,494		1,909,061
Income funds					
Restricted funds	15	(12,443)		198,532	
Unrestricted funds		55,874		(1,780)	
		<u>2,127,925</u>		<u>2,105,813</u>	

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2021, although an audit has been carried out under section 144 of the Charities Act 2011.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements under the requirements of the Companies Act 2006, for the year in question in accordance with section 476.

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

The financial statements were approved by the Trustees on 31 October 2021

Mr G A Bazire
Trustee

Company Registration No. 07807250

ENGINEERS IN BUSINESS FELLOWSHIP

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021 £	£	2020 £	£
Cash flows from operating activities					
Cash generated from operations	18		9,926		365,545
Investing activities					
Purchase of investments		(130,105)		-	
Proceeds on disposal of investments		-		(407,700)	
Investment income received		12,259		11,537	
Net cash used in investing activities			(117,846)		(396,163)
Net cash used in financing activities			-		-
Net decrease in cash and cash equivalents			(107,920)		(30,618)
Cash and cash equivalents at beginning of year			223,603		254,221
Cash and cash equivalents at end of year			115,683		223,603

ENGINEERS IN BUSINESS FELLOWSHIP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

Charity information

Engineers in Business Fellowship is a private company limited by guarantee incorporated in England and Wales. The registered office is Azets, Ventura Park Road, Tamworth, B78 3HL.

1.1 Accounting convention

The financial statements have been prepared in accordance with the Charity's [governing document], the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)". The Charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the Charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds relate to donations made to the charity where the communication between the charity and the donor refers to the donations being held for the long term to generate income for future awards and grants. The trustees believe these funds to be expendable endowment funds and they are currently in the accumulation stage. It is anticipated that when funding for charitable activities is no longer forthcoming from the Gatsby Charitable Foundation, income from the endowment funds will be transferred to restricted funds for grants and awards.

1.4 Income

Income is recognised when the Charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the Charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the Charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

ENGINEERS IN BUSINESS FELLOWSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

1.5 Expenditure

Expenditure is recognised on an accruals basis, and classified under the following activity headings:

Charitable activities includes governance, support costs and grants to institutions.

Governance costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirements.

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities.

1.6 Fixed asset investments

Fixed assets investments consist solely of bank deposits that are held for the purpose of generating interest and are measured at cost less impairment.

1.7 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.8 Financial instruments

The Charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Charity's balance sheet when the Charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method 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. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans 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. Financial liabilities classified as payable within one year are not amortised.

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

ENGINEERS IN BUSINESS FELLOWSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

Derecognition of financial liabilities

Financial liabilities are derecognised when the Charity's contractual obligations expire or are discharged or cancelled.

1.9 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the Charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.10 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

2 Critical accounting estimates and judgements

In the application of the Charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

ENGINEERS IN BUSINESS FELLOWSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

3 Donations and legacies

	Unrestricted funds	Restricted funds	Endowment funds general	Total Unrestricted funds	Restricted funds	Endowment funds general	Total
	2021	2021	2021	2021	2020	2020	2020
	£	£	£	£	£	£	£
Donations and gifts	165,000	550,000	163,581	878,581	132,000	788,000	1,237,845

Donations and gifts include £715,000 (2020: £1,170,000) received from The Gatsby Charitable Foundation. Mr N Thomas is an employee of The Gatsby Charitable Foundation.

ENGINEERS IN BUSINESS FELLOWSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

4 Charitable activities

	Subscriptions 2021 £	Dinner fees 2021 £	Total 2021 £	Subscriptions 2020 £	Dinner fees 2020 £	Total 2020 £
Sales within charitable activities	10,928	4,680	15,608	3,217	60	3,277
Other income	-	-	-	-	15	15
	<u>10,928</u>	<u>4,680</u>	<u>15,608</u>	<u>3,217</u>	<u>75</u>	<u>3,292</u>

5 Investments

	Restricted funds 2021 £	Endowment funds general 2021 £	Total 2021 £	Restricted funds 2020 £	Endowment funds general 2020 £	Total 2020 £
Interest receivable	<u>407</u>	<u>11,852</u>	<u>12,259</u>	<u>202</u>	<u>11,335</u>	<u>11,537</u>

ENGINEERS IN BUSINESS FELLOWSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

6 Charitable activities

	Total 2021	Total 2020
	£	£
Staff costs	36,501	36,241
Advertising and marketing	20,988	9,368
Bank fees	213	2,303
Communications	89,292	99,976
Other costs	1,709	4,115
Photography and video	19,358	23,459
Printing and photocopying	4,203	3,124
Professional fees	6,221	11,604
Publications	420	1,078
Scholarship and prize administration	43,854	37,607
Software and online services	2,325	2,020
Telephone and internet	538	1,050
Travel and subsistence	868	5,381
Venue hire	3,909	25,948
Website development	4,434	4,499
	<u>234,833</u>	<u>267,773</u>
Grant funding of activities (see note 7)	608,890	556,512
Share of support costs (see note 8)	18,250	18,120
Share of governance costs (see note 8)	22,363	27,626
	<u>884,336</u>	<u>870,031</u>
Analysis by fund		
Unrestricted funds	122,954	162,431
Restricted funds	761,382	707,600
	<u>884,336</u>	<u>870,031</u>

ENGINEERS IN BUSINESS FELLOWSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

7 Grants payable

	Total 2021	Total 2020
	£	£
Grants administered by The Royal Academy of Engineering: Scholarships 11 (2020: 10) individuals	550,000	500,000
EIB Competition prizes	58,890	56,512
	<u>608,890</u>	<u>556,512</u>

8 Support costs

	Support costs £	Governance costs £	2021 £	Support costs £	Governance costs £	2020 £
Staff costs	18,250	18,250	36,500	18,120	18,120	36,240
Audit fees	-	2,400	2,400	-	2,400	2,400
Accountancy	-	1,713	1,713	-	7,106	7,106
	<u>18,250</u>	<u>22,363</u>	<u>40,613</u>	<u>18,120</u>	<u>27,626</u>	<u>45,746</u>
Analysed between Charitable activities	<u>18,250</u>	<u>22,363</u>	<u>40,613</u>	<u>18,120</u>	<u>27,626</u>	<u>45,746</u>

9 Trustees

None of the Trustees (or any persons connected with them) received any remuneration during the year, but two of them were reimbursed a total of £7,752 for expenses (2020 - two were reimbursed £1,826).

ENGINEERS IN BUSINESS FELLOWSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

10 Employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
	1	1

Employment costs

	2021 £	2020 £
Wages and salaries	65,836	64,545
Social security costs	3,873	4,717
Other pension costs	3,292	3,219
	73,001	72,481

The number of employees whose annual remuneration was £60,000 or more were:

	2021 Number	2020 Number
£60,000 - £70,000	1	1

11 Fixed asset investments

	Bank deposits £
Cost or valuation	
At 1 April 2020	1,890,742
Additions	130,105
At 31 March 2021	2,020,847
Carrying amount	
At 31 March 2021	2,020,847
At 31 March 2020	1,890,742

Fixed asset investments consist solely of bank deposits that are held for the purpose of generating interest.

ENGINEERS IN BUSINESS FELLOWSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

12 Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Prepayments and accrued income	234	15,203
	<u>234</u>	<u>15,203</u>

13 Creditors: amounts falling due within one year

	2021 £	2020 £
Other taxation and social security	2,839	842
Accruals and deferred income	6,000	22,893
	<u>8,839</u>	<u>23,735</u>

ENGINEERS IN BUSINESS FELLOWSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

14 Endowment funds

Endowment funds represent assets which must be held permanently by the Charity. Income arising on the endowment funds can be used in accordance with the objects of the Charity and is included as unrestricted income. Any capital gains or losses arising on the assets form part of the fund.

	Movement in funds					Movement in funds					
	Balance at 1 April 2019	Incoming resources	Resources expended	Transfers	Revaluations gains and losses	Balance at 1 April 2020	Incoming resources	Resources expended	Transfers	Revaluations gains and losses	Balance at 31 March 2021
	£	£	£	£	£	£	£	£	£	£	£
Expendable endowments											
Scholarship endowment fund	1,550,741	329,180	-	29,140	-	1,909,061	175,433	-	-	-	2,084,494
	<u>1,550,741</u>	<u>329,180</u>	<u>-</u>	<u>29,140</u>	<u>-</u>	<u>1,909,061</u>	<u>175,433</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,084,494</u>

The Endowment Fund has been established to support the perpetual continuation of the SMF Bursary Scheme.

ENGINEERS IN BUSINESS FELLOWSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

15 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds				Movement in funds			
	Balance at 1 April 2019	Incoming resources	Resources expended	Transfers	Balance at 1 April 2020	Incoming resources	Resources expended	Balance at 31 March 2021
	£	£	£	£	£	£	£	£
Overseas donations	13,266	-	-	-	13,266	-	-	13,266
Scholarship donations	130,652	788,202	(707,600)	(25,988)	185,266	550,407	(761,382)	(25,709)
	<u>143,918</u>	<u>788,202</u>	<u>(707,600)</u>	<u>(25,988)</u>	<u>198,532</u>	<u>550,407</u>	<u>(761,382)</u>	<u>(12,443)</u>

Overseas donations: The donor has specified that these donations are to be expended outside of the United States.

Scholarship donations: Donations to be applied towards the Sainsbury Management Fellowship (SMF) bursary scheme.

The scholarship donations fund was in deficit at the year end with the expenditure being temporarily covered by unrestricted funds. Further scholarship funding will be received in the following financial year to cover the deficit and next year's scholarships.

ENGINEERS IN BUSINESS FELLOWSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

16 Analysis of net assets between funds

	Unrestricted funds 2021 £	Restricted funds 2021 £	Endowment funds 2021 £	Total Unrestricted funds 2021 £	Unrestricted funds 2020 £	Restricted funds 2020 £	Endowment funds 2020 £	Total 2020 £
Fund balances at 31 March 2021 are represented by:								
Investments	-	-	2,020,847	2,020,847	-	-	1,890,742	1,890,742
Current assets/(liabilities)	55,874	(12,443)	63,647	107,078	(1,780)	198,532	18,319	215,071
	<u>55,874</u>	<u>(12,443)</u>	<u>2,084,494</u>	<u>2,127,925</u>	<u>(1,780)</u>	<u>198,532</u>	<u>1,909,061</u>	<u>2,105,813</u>

ENGINEERS IN BUSINESS FELLOWSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

17 Related party transactions

There were no disclosable related party transactions during the year (2020 - none).

18 Cash generated from operations	2021 £	2020 £
Surplus for the year	22,112	382,643
Adjustments for:		
Investment income recognised in statement of financial activities	(12,259)	(11,537)
Movements in working capital:		
Decrease/(increase) in debtors	14,969	(8,042)
(Decrease)/increase in creditors	(14,896)	2,481
Cash generated from operations	9,926	365,545