

Charity registration number 1147203

Company registration number 07807250 (England and Wales)

ENGINEERS IN BUSINESS FELLOWSHIP
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

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 |
| Secretary | Mrs C M Breeze |
| Charity number | 1147203 |
| Company number | 07807250 |
| Registered office | Azets Ventura Park Road Tamworth B78 3HL |
| Auditor | Azets Audit Services Ruthlyn House 90 Lincoln Road Peterborough United Kingdom PE1 2SP |

ENGINEERS IN BUSINESS FELLOWSHIP

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ENGINEERS IN BUSINESS FELLOWSHIP

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2022

The Trustees present their annual report and financial statements for the year ended 31 March 2022.

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 this past year. Despite this, nearly all of our partner universities were able to hold their competitions. We currently work with 32 universities and hope to expand this number in the coming year. However, we are pleased to report that, notwithstanding the adversity, participation has been high with 291,000 students, graduates and postgraduates receiving EIBF messages and 5,829 students participating in competitions, 2,186 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. Accordingly, we held a Champion of Champions Coaching Day in September 2021 for the ten finalist teams participating in the Champions Final in October 2021.

The Engineers in Business Champion of Champions Final gives us the chance to design and run our own competition and this year 27 universities provided competitors. There were two competition categories: 'Big Ideas' - an opportunity for participants to express their vision and personal potential through a combination of technology and business - and 'Start Ups'. The online event was broadcast live from the Shard in London and over 300 viewers from around the world tuned in. Ten finalist university teams comprising engineering graduates and postgraduates pitched their business innovations in the hope of winning a share of the £15,000 prize fund. Publicity before and after the event reached an impressive audience of over 46 million. This group included students considering engineering as a course of study, those already studying engineering 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 2022

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. This year SMFs helped with the following:
 - Mike Astell delivered a Business Governance workshop;
 - Richard Smith mentored an agritech start up and Dolapo Koku signed up to be a mentor.
- 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. Participants 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. This year, Chris Shelley 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.

Nine SMF Scholarships were awarded this past year by interview panels comprised of Fellows from the Royal Academy of Engineering with SMFs Rob Gill, Nick Laird, Tim Lowe, Robert Rasbach and Graham White participating.

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

We are grateful to Sainsbury Management Fellows for donating £6,509 in FY2021/2022. With Gift Aid on the donations plus interest income from investments, £10,379 has been added to the Endowment in the past year, with a further £8,476 of matched funding to follow. The Endowment now stands at £2.1 million, a significant step towards our target of £10M, although some way from providing the funds necessary to maintain the Sainsbury Management Fellowship Scheme.

In addition, all new SMFs will be required to make a monthly donation to SMF as soon as they have started their jobs post MBA, in effect giving back to provide scholarships for others. We hope that all SMFs will be motivated to contribute double the amount of the current scholarship over the course of their careers, estimated to be forty years. At present, this would be the sum of £100,000. We encourage all SMFs, whatever they may have already given, to aspire to this goal.

Tax efficient giving arrangements have been established on our websites for Fellows living in the USA, Belgium, France and Switzerland with more countries to be added as required.

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.

ENGINEERS IN BUSINESS FELLOWSHIP

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

It was regrettable but necessary that we cancel the highlight of our year, the Annual Dinner, in May 2021. The majority of our activities were online with a few face to face events; we were pleased to attract a large and diverse group of SMFs from around the world. In addition, many SMFs volunteered to judge and award prizes at EIBF-sponsored online business competitions.

- In May 2021 Taha Dar served as a judge at Anglia Ruskin University's Grand Final of The Big Pitch event, for the third year.
- Mike Astell participated in the University of Nottingham's Ingenuity Programme awards event in May 2021, announcing Engineers in Business Competition winners from a number of our partner universities.
- In June 2021 Rebecca Grady, Jo Hallas and Mope Ogunsulire helped us to inspire more women to think about applying for an SMF Scholarship with their social media posts for International Women in Engineering Day.
- In September 2021 William Burton, John Collins, George Fowkes, David Falzani MBE and Henning von Spreckelsen came to the Royal Academy of Engineering for the Champion of Champions Coaching Day for the ten finalists of our Champions' Competition.
- In October 2021, SMF Serge Taborin was head judge and we had keynote speeches from Andy Philipps and Dame Anne Richards at the Champion of Champions Final.
- In December 2021, 30 SMFs came to London for the Annual Christmas Curry, which was held after a break of two years.
- In February 2022 Andrew de Rozairo took part in the judging process and presented prizes at Kingston's Bright Ideas Competition.
- In March 2022 Nicola Winn helped us to celebrate International Women's Day on social media by contributing her story about the challenges she faced during the pandemic in her role as Divisional Manager, Women's Health at University College London Hospitals NHS Foundation Trust.
- For the second year, in March 2022, Hersh Shah volunteered to be a judge at the University of Exeter's Elevate 2022 Competition. Also in March, Farid Singh served as a member of the Dragon's Den Panel in the "Starting a Business" module offered by Warwick Business School.
- Sagnik Mukherjee, Nic Renard and Nick Sullivan volunteered to help with the many requests we receive from prospective SMFs to confer on the application process.
- Many SMFs volunteered to be mentors to EIBF business competition winners and several others agreed to be case studies -- Kofo Agbaje, Phil Caldwell, Simon Duncan, James McMicking, Davina Patel, Henning von Spreckelsen, Imogen Rey and Tony Walters.
- In March 2022 a group of 20 SMFs took part online for the SMF Investor and Finance Group Networking Event. SMF Michael Hill hosted this fast-paced session with presentations by Gordon Wylie, Ken Stannard, Patrick Macdonald and Ana Avaliani, Director, Enterprise and Sustainable Development at the RAEng. A great deal of time was spent discussing the impact of the Russian invasion of Ukraine on the various markets. The Investor Group's purpose is to network and connect to facilitate investments and building early stage companies.
- The SMF Energy and Sustainable Development Group aims to fulfil a key goal of Engineers in Business Fellowship, to improve the performance of the UK and world economy. The Energy and Sustainable Development Group which comprises 65 SMFs, exchanges ideas and explores new investment opportunities. The group held four lively online sessions this year with SMFs joining in from all over the world.

Scholarships and Grants

Nine scholarships totalling £450,000 were awarded.

The awardees included eight men and one woman. The business school destinations include: Harvard (1), Kellogg (1), INSEAD (5), IESE (1) and IMD (1).

Financial review

The Charity ended the year with a surplus of income over expenditure of £88,207 and Net Assets at the end of the year were £2,216,132.

The Scholarship expendable endowment fund amounts to £2,094,873 as at 31 March 2022, and is being built to support the educational objectives of the charity long term.

ENGINEERS IN BUSINESS FELLOWSHIP

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

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 2021/22, 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. The cancellation of the annual dinner and other events have resulted in an underspend for the year of £25,143 in Unrestricted funds.

Plans for future periods

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:

We hope to expand our Business Competition from 32 universities to many more. We will hold our Champion of Champions Coaching Day and Competition Final for the students who participated in the business competitions in October 2022 in London at the Royal Academy of Engineering with a live audience.

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.

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.

ENGINEERS IN BUSINESS FELLOWSHIP

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

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
Ms M Ogunsulire

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.

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

24 November 2022

ENGINEERS IN BUSINESS FELLOWSHIP

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2022

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 2022 which comprise the statement of financial activities, the summary income and expenditure account, the balance sheet, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2022 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.

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.

ENGINEERS IN BUSINESS FELLOWSHIP

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF ENGINEERS IN BUSINESS FELLOWSHIP

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.

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.

ENGINEERS IN BUSINESS FELLOWSHIP

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF ENGINEERS IN BUSINESS FELLOWSHIP

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

25 November 2022

Chartered Accountants
Statutory Auditor

Ruthlyn House
90 Lincoln Road
Peterborough
PE1 2SP

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 section 1212 of the Companies Act 2006.

ENGINEERS IN BUSINESS FELLOWSHIP

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 MARCH 2022

| | Notes | Unrestricted funds 2022 £ | Restricted funds 2022 £ | Endowment funds 2022 £ | Total Unrestricted funds 2022 £ | Unrestricted funds 2021 £ | Restricted funds 2021 £ | Endowment funds 2021 £ | Total 2021 £ |
|---------------------------------------|-------|------------------------------------|----------------------------------|---------------------------------|--|------------------------------------|----------------------------------|---------------------------------|-------------------------|
| Income from: | | | | | | | | | |
| Donations and legacies | 3 | 185,000 | 780,000 | 8,476 | 973,476 | 165,000 | 550,000 | 163,581 | 878,581 |
| Charitable activities | 4 | 10,557 | - | - | 10,557 | 15,608 | - | - | 15,608 |
| Investments | 5 | - | 18 | 1,903 | 1,921 | - | 407 | 11,852 | 12,259 |
| Total income and endowments | | <u>195,557</u> | <u>780,018</u> | <u>10,379</u> | <u>985,954</u> | <u>180,608</u> | <u>550,407</u> | <u>175,433</u> | <u>906,448</u> |
| Expenditure on: | | | | | | | | | |
| Charitable activities | 6 | <u>197,088</u> | <u>700,659</u> | <u>-</u> | <u>897,747</u> | <u>122,954</u> | <u>761,382</u> | <u>-</u> | <u>884,336</u> |
| Net movement in funds | | (1,531) | 79,359 | 10,379 | 88,207 | 57,654 | (210,975) | 175,433 | 22,112 |
| Fund balances at 1 April 2021 | | <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> |
| Fund balances at 31 March 2022 | | <u><u>54,343</u></u> | <u><u>66,916</u></u> | <u><u>2,094,873</u></u> | <u><u>2,216,132</u></u> | <u><u>55,874</u></u> | <u><u>(12,443)</u></u> | <u><u>2,084,494</u></u> | <u><u>2,127,925</u></u> |

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 2022

| | All income funds | |
|---------------------------------------|------------------|------------------|
| | 2022 | 2021 |
| | £ | £ |
| Gross income | 975,575 | 731,015 |
| Total expenditure from income funds | 897,747 | 884,336 |
| Net income/(expenditure) for the year | <u>77,828</u> | <u>(153,321)</u> |

ENGINEERS IN BUSINESS FELLOWSHIP

BALANCE SHEET

AS AT 31 MARCH 2022

| | Notes | 2022 £ | £ | 2021 £ | £ |
|---|-------|------------------|------------------|------------------|------------------|
| Fixed assets | | | | | |
| Investments | 11 | | 1,568,324 | | 2,020,847 |
| Current assets | | | | | |
| Debtors | 12 | 246 | | 234 | |
| Cash at bank and in hand | | 673,144 | | 115,683 | |
| | | <u>673,390</u> | | <u>115,917</u> | |
| Creditors: amounts falling due within one year | 13 | (25,582) | | (8,839) | |
| Net current assets | | | <u>647,808</u> | | <u>107,078</u> |
| Total assets less current liabilities | | | <u>2,216,132</u> | | <u>2,127,925</u> |
| Capital funds | | | | | |
| <u>Endowment funds - general</u> | | | | | |
| Expendable endowment | | <u>2,094,873</u> | | <u>2,084,494</u> | |
| | 14 | | 2,094,873 | | 2,084,494 |
| Income funds | | | | | |
| Restricted funds | 15 | | 66,916 | | (12,443) |
| Unrestricted funds | | | <u>54,343</u> | | <u>55,874</u> |
| | | | <u>2,216,132</u> | | <u>2,127,925</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 2022, 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 24 November 2022

Mr G A Bazire
Trustee

Company Registration No. 07807250

ENGINEERS IN BUSINESS FELLOWSHIP

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2022

| | Notes | 2022 £ | £ | 2021 £ | £ |
|---|-------|-----------|---------|-----------|-----------|
| Cash flows from operating activities | | | | | |
| Cash generated from operations | 18 | | 103,017 | | 9,926 |
| Investing activities | | | | | |
| Purchase of investments | | - | | (130,105) | |
| Proceeds on disposal of investments | | 452,523 | | - | |
| Investment income received | | 1,921 | | 12,259 | |
| | | | | | |
| Net cash generated from/(used in) investing activities | | | 454,444 | | (117,846) |
| Net cash used in financing activities | | | - | | - |
| | | | | | |
| Net increase/(decrease) in cash and cash equivalents | | | 557,461 | | (107,920) |
| Cash and cash equivalents at beginning of year | | | 115,683 | | 223,603 |
| | | | | | |
| Cash and cash equivalents at end of year | | | 673,144 | | 115,683 |

ENGINEERS IN BUSINESS FELLOWSHIP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

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, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "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 2022

1 Accounting policies

(Continued)

1.5 Expenditure

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

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

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. Some of those deposits can be accessed in the short term but the portfolio of bank deposits is intended to be held for the long term and therefore treated as fixed asset investments.

1.7 Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits held in current accounts. 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.

ENGINEERS IN BUSINESS FELLOWSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

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.

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 2022

3 Donations and legacies

| | Unrestricted funds | Restricted funds | Endowment funds general | Total | Unrestricted funds | Restricted funds | Endowment funds general | Total |
|---------------------|-----------------------|---------------------|-------------------------------|---------|-----------------------|---------------------|-------------------------------|---------|
| | 2022 | 2022 | 2022 | 2022 | 2021 | 2021 | 2021 | 2021 |
| | £ | £ | £ | £ | £ | £ | £ | £ |
| Donations and gifts | 185,000 | 780,000 | 8,476 | 973,476 | 165,000 | 550,000 | 163,581 | 878,581 |

Donations and gifts include £965,000 (2021: £715,000) 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 2022

4 Charitable activities

| | Subscriptions | Subscriptions | Dinner fees | Total |
|------------------------------------|---------------|---------------|-------------|--------|
| | 2022 | 2021 | 2021 | 2021 |
| | £ | £ | £ | £ |
| Sales within charitable activities | 10,557 | 10,928 | 4,680 | 15,608 |

5 Investments

| | Restricted funds | Endowment funds general | Total | Restricted funds | Endowment funds general | Total |
|---------------------|------------------|-------------------------|-------|------------------|-------------------------|--------|
| | 2022 | 2022 | 2022 | 2021 | 2021 | 2021 |
| | £ | £ | £ | £ | £ | £ |
| Interest receivable | 18 | 1,903 | 1,921 | 407 | 11,852 | 12,259 |

ENGINEERS IN BUSINESS FELLOWSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

6 Charitable activities

| | Total 2022 | Total 2021 |
|--|----------------|----------------|
| | £ | £ |
| Staff costs | 39,295 | 36,501 |
| Advertising and marketing | 52,626 | 20,988 |
| Bank fees | 2,028 | 213 |
| Communications | 97,342 | 89,292 |
| Other costs | 2,330 | 1,709 |
| Photography and video | 29,216 | 19,358 |
| Printing and photocopying | 3,983 | 4,203 |
| Professional fees | 709 | 6,221 |
| Publications | 494 | 420 |
| Scholarship and prize administration | 47,559 | 43,854 |
| Software and online services | 2,882 | 2,325 |
| Telephone and internet | 1,753 | 538 |
| Travel and subsistence | 3,367 | 868 |
| Venue hire | 5,606 | 3,909 |
| Website development | 11,500 | 4,434 |
| | <u>300,690</u> | <u>234,833</u> |
| Grant funding of activities (see note 7) | 549,552 | 608,890 |
| Share of support costs (see note 8) | 19,647 | 18,250 |
| Share of governance costs (see note 8) | 27,858 | 22,363 |
| | <u>897,747</u> | <u>884,336</u> |
| Analysis by fund | | |
| Unrestricted funds | 197,088 | 122,954 |
| Restricted funds | 700,659 | 761,382 |
| | <u>897,747</u> | <u>884,336</u> |

7 Grants payable

| | Total 2022 | Total 2021 |
|---|----------------|----------------|
| | £ | £ |
| Grants administered by The Royal Academy of Engineering: Scholarships 9 (2021: 11) individuals | 450,000 | 550,000 |
| EIB Competition prizes | 99,552 | 58,890 |
| | <u>549,552</u> | <u>608,890</u> |

ENGINEERS IN BUSINESS FELLOWSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

8 Support costs

| | Support costs £ | Governance costs £ | 2022 Support costs £ | Governance costs £ | 2021 £ |
|---|--------------------|-----------------------|-------------------------|-----------------------|---------------|
| Staff costs | 19,647 | 19,647 | 39,294 | 18,250 | 36,500 |
| Audit fees | - | 5,280 | 5,280 | - | 2,400 |
| Accountancy | - | 2,931 | 2,931 | - | 1,713 |
| | <u>19,647</u> | <u>27,858</u> | <u>47,505</u> | <u>18,250</u> | <u>40,613</u> |
| Analysed between Charitable activities | <u>19,647</u> | <u>27,858</u> | <u>47,505</u> | <u>18,250</u> | <u>40,613</u> |

9 Trustees

None of the Trustees (or any persons connected with them) received any remuneration during the year, but one of them was reimbursed a total of £24,483 for expenses (2021 - two were reimbursed £7,752).

ENGINEERS IN BUSINESS FELLOWSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

10 Employees

The average monthly number of employees during the year was:

| 2022 Number | 2021 Number |
|----------------|----------------|
| 1 | 1 |

Employment costs

| | 2022 £ | 2021 £ |
|-----------------------|-----------|-----------|
| Wages and salaries | 67,152 | 65,836 |
| Social security costs | 8,079 | 3,873 |
| Other pension costs | 3,358 | 3,292 |
| | 78,589 | 73,001 |

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

| | 2022 Number | 2021 Number |
|-------------------|----------------|----------------|
| £60,000 - £70,000 | 1 | 1 |

11 Fixed asset investments

| | Bank deposits £ |
|--------------------------|--------------------|
| Cost or valuation | |
| At 1 April 2021 | 2,020,847 |
| Disposals | (452,523) |
| At 31 March 2022 | 1,568,324 |
| Carrying amount | |
| At 31 March 2022 | 1,568,324 |
| At 31 March 2021 | 2,020,847 |

12 Debtors

| | 2022 £ | 2021 £ |
|---|-----------|-----------|
| Amounts falling due within one year: | | |
| Prepayments and accrued income | 246 | 234 |

ENGINEERS IN BUSINESS FELLOWSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

13 Creditors: amounts falling due within one year

| | 2022 £ | 2021 £ |
|------------------------------------|---------------|--------------|
| Other taxation and social security | - | 2,839 |
| Accruals and deferred income | 25,582 | 6,000 |
| | <u>25,582</u> | <u>8,839</u> |

ENGINEERS IN BUSINESS FELLOWSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

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 2020 | Incoming resources | Resources expended | Transfers | Revaluations gains and losses | Balance at 1 April 2021 | Incoming resources | Resources expended | Transfers | Revaluations gains and losses | Balance at 31 March 2022 |
| | £ | £ | £ | £ | £ | £ | £ | £ | £ | £ | £ |
| Expendable endowments | | | | | | | | | | | |
| Scholarship endowment fund | 1,909,061 | 175,433 | - | - | - | 2,084,494 | 10,379 | - | - | - | 2,094,873 |
| | <u>1,909,061</u> | <u>175,433</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>2,084,494</u> | <u>10,379</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>2,094,873</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 2022

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 2020 £ | Incoming resources £ | Resources expended £ | Balance at 1 April 2021 £ | Incoming resources £ | Resources expended £ | Balance at 31 March 2022 £ |
| Overseas donations | 13,266 | - | - | 13,266 | - | - | 13,266 |
| Scholarship donations | 185,266 | 550,407 | (761,382) | (25,709) | 780,018 | (700,659) | 53,650 |
| | <u>198,532</u> | <u>550,407</u> | <u>(761,382)</u> | <u>(12,443)</u> | <u>780,018</u> | <u>(700,659)</u> | <u>66,916</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 31 March 2021 with the expenditure being temporarily covered by unrestricted funds. Further scholarship funding has been received during the year to cover the deficit.

ENGINEERS IN BUSINESS FELLOWSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

16 Analysis of net assets between funds

| | Unrestricted funds 2022 £ | Restricted funds 2022 £ | Endowment funds 2022 £ | Total Unrestricted funds 2022 £ | Unrestricted funds 2021 £ | Restricted funds 2021 £ | Endowment funds 2021 £ | Total 2021 £ |
|--|------------------------------------|----------------------------------|---------------------------------|--|------------------------------------|----------------------------------|---------------------------------|--------------------|
| Fund balances at 31 March 2022 are represented by: | | | | | | | | |
| Investments | - | - | 1,568,324 | 1,568,324 | - | - | 2,020,847 | 2,020,847 |
| Current assets/(liabilities) | 54,343 | 66,916 | 526,549 | 647,808 | 55,874 | (12,443) | 63,647 | 107,078 |
| | <u>54,343</u> | <u>66,916</u> | <u>2,094,873</u> | <u>2,216,132</u> | <u>55,874</u> | <u>(12,443)</u> | <u>2,084,494</u> | <u>2,127,925</u> |

ENGINEERS IN BUSINESS FELLOWSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

17 Related party transactions

There were no disclosable related party transactions during the year (2021 - none).

| 18 Cash generated from operations | 2022 £ | 2021 £ |
|---|----------------|--------------|
| Surplus for the year | 88,207 | 22,112 |
| Adjustments for: | | |
| Investment income recognised in statement of financial activities | (1,921) | (12,259) |
| Movements in working capital: | | |
| (Increase)/decrease in debtors | (12) | 14,969 |
| Increase/(decrease) in creditors | 16,743 | (14,896) |
| Cash generated from operations | 103,017 | 9,926 |