

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 2023

ENGINEERS IN BUSINESS FELLOWSHIP

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Ms I Akpofure Mr M P Astell 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 Cambridgeshire 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 2023

The Trustees present their annual report and financial statements for the year ended 31 March 2023.

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 education 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.

Our programme expanded this year in both size and engagement. We added seven new universities, which brings our total to 39 partner universities. Participation in business competitions increased by 40% over last year, with 8,172 students taking part. More than 325,000 students, graduates and postgraduates received EIBF messages - an uplift of 11% over the previous year.

The Engineers in Business Champion of Champions Final gives us the chance to design and run our own competition and this was held in October with 17 universities sending 28 impressive entries. 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 the more traditional category of 'Start Ups'. The event was held at the Royal Academy of Engineering in London and over 200 university partners, friends and family attended the competition at the Royal Academy or watched online. 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 a cumulative audience of over 27 million. This included students considering engineering as a course of study, those already studying engineering and also practising 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 2023

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 entrepreneurial engineers in the RAEng's Enterprise Hub, EIBF participated in two further extremely exciting and innovative initiatives:

- SMFs Dolapo Koku and Sagnik Mukherjee provided support at the Engineering Leaders' Scholarship conference in October 2022. They delivered a talk and question and answer session about the Sainsbury Management Fellows and possible pathways leading to an MBA.
- The Leaders in Innovation Fellowships Programme (LIF) aims to build the business skills of researchers within partner countries to aid in the commercialisation of their research. Participants receive training in entrepreneurship, together with access to and time with expert mentors to develop their business plans. This past year, SMF David Falzani MBE participated in the programme.

SMF Trustee Henning von Spreckelsen was elected to be a Fellow of the Royal Academy of Engineering in September 2022. This was a great honour which recognized Henning's contribution to engineering and engineering education. It is hoped that more SMFs will be elected to the RAEng Fellowship in the coming years.

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

To ensure the continuity of the SMF Vision into the future, we asked all SMFs to step up and contribute to the scholarships to be awarded in 2023 – we hoped to raise £100,000 to fund two of the ten scholarships. The SMF Step Challenge culminated in a Giving Week, 22-28 March 2023. We exceeded our target and raised £119,000. We are aiming to foster an enduring culture of giving and will be holding another SMF Step Challenge Campaign next year.

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.

This year we held a mix of in-person and online events, which attracted a large and diverse group of SMFs from around the world. Additionally, with more in-person business competitions being held at our partner universities this year, we were pleased to be able to provide SMFs to judge and award prizes at the EIBF-sponsored competitions:

April 2022

- 25 SMFs attended the online Energy and Sustainability Group Meeting which was chaired by Tim Lowe, Head of Client Relationships at UK Water Utilities for Xylem Water Solutions UK & Ireland. A variety of topics were discussed.

May 2022

- Imoni Akpofure, Hersh Shah and Henning von Spreckelsen FREng participated in the Interview Panels to select new SMFs.
- James Gardiner presented the Engineers in Business Prize to Team 'Excelerex' at Anglia Ruskin's Big Pitch 2022 Event.
- Graham Hastie presented the Engineers in Business Prizes at the University of Highlands and Islands CREATE Awards Ceremony.
- Hersh Shah was one of the judges at the University of Exeter's Elevate 2022 Competition.

June 2022:

- Kwok-Gam Ng presented the Engineers in Business Prizes at the University of Hertfordshire's Flare Ignite competition.
- Jayshan Ratnakumar presented the Engineers in Business Prize at Imperial College London's WE ELEVATE Competition.

ENGINEERS IN BUSINESS FELLOWSHIP

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

September 2022

- 27 SMFs attended a second online Energy and Sustainability Group Meeting which was chaired by Tim Lowe, Head of Client Relationships at UK Water Utilities for Xylem Water Solutions UK & Ireland. Presentations were made by David Parkin, Director, Progressive Energy; Chris Shelley, CEO, Solar Botanic Trees; George Fowkes, Director, Base Power and Sam Cockerill, CEO, Libertine. Gordon Wylie announced the launch of a new political party – The Sustainable Growth Party.

October 2022

- Simon Bonini, Ian Peerless, Andrew Hogwood and Henning von Spreckelsen FREng and David Falzani MBE participated in the Champion of Champions Coaching Day for the ten finalists of our Champions' Competition. The following day, former SMF President Chris Shelley was head judge, joined by Caroline Cake and Kwok Gam Ng at the Champion of Champions Grand Final.

December 2022

- The SMF Christmas Curry Networking Event was held in London and seventeen SMFs attended.

January 2023

- A brainstorming session with the trustees was held to discuss the future of the SMF Scheme.

February 2023

- Andrew de Rozairo and Michael Patton were judges at Kingston University's Bright Ideas Competition.
- Nick Laird was a judge at the Invent for the Planet Competition at Swansea University.

March 2023

- Rauf Khan and Farid Singh were members of the Dragon's Den Panel for the "Starting a Business" module at Warwick Business School.
- The SMF Investor and Finance Group Networking Event was held online and 25 SMFs participated. The purpose of this group is to network to facilitate investments in building early stage companies.

Financial review

The Charity ended the year with a surplus of income over expenditure of £249,421 and Net Assets at the end of the year were £2,465,553. The large surplus is due to additional income from donations received from the Step Challenge Campaign and the award of eight scholarships rather than 10 in 2022/23.

The Scholarship expendable endowment fund amounts to £2,113,052 as at 31 March 2023, and is being built to support the educational objectives of the charity in the 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 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 in AAA rated UK High Street banks and an investment 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

The Charity's activities have, as anticipated and hoped, rebounded after the restrictions imposed by the Covid pandemic. Attendance at the 2022 Annual Dinner and other events has recovered to pre-pandemic levels. As was the case in 2021/22, our operating income is largely from the Gatsby Charitable Foundation so the COVID-19 situation did not materially affect our income.

ENGINEERS IN BUSINESS FELLOWSHIP

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

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 will continue to expand our Business Competition from 39 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 2023 in London at the Royal Academy of Engineering with a live audience. This year we changed the format of the Coaching Day and Competition Final to a two-day event that was effective and successful. It led to significant increases in venue hire costs and travel and subsistence costs (to cover travel and accommodation for participants). Due to the success of the new format, which was well-received, the Trustees have decided to retain this arrangement in future.

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. We aim to foster an enduring culture of giving and will hold another SMF Step Challenge Campaign in 2024.

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.

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

(Resigned 11 May 2023)

Mr S J Bonini

Mr D A M Falzani

Mr H Shah

Mr N Thomas

Mr H von Spreckelsen

Ms M Ogunsulire

ENGINEERS IN BUSINESS FELLOWSHIP

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) *FOR THE YEAR ENDED 31 MARCH 2023*

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.

Ms M Ogunsulire

Trustee

2 October 2023

ENGINEERS IN BUSINESS FELLOWSHIP

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2023

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 2023 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 2023 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the 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

10 October 2023

Chartered Accountants
Statutory Auditor

Ruthlyn House
90 Lincoln Road
Peterborough
Cambridgeshire
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 2023

	Notes	Unrestricted funds 2023 £	Restricted funds 2023 £	Endowment funds 2023 £	Total Unrestricted funds 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Endowment funds 2022 £	Total 2022 £
Income from:									
Donations and legacies	3	180,000	890,436	5,269	1,075,705	185,000	780,000	8,476	973,476
Charitable activities	4	14,258	-	-	14,258	10,557	-	-	10,557
Investments	5	-	48	4,064	4,112	-	18	1,903	1,921
Total income and endowments		194,258	890,484	9,333	1,094,075	195,557	780,018	10,379	985,954
Expenditure on:									
Charitable activities	6	180,546	672,954	-	853,500	197,088	700,659	-	897,747
Net gains/(losses) on investments	11	-	-	8,846	8,846	-	-	-	-
Net movement in funds		13,712	217,530	18,179	249,421	(1,531)	79,359	10,379	88,207
Fund balances at 1 April 2022		54,343	66,916	2,094,873	2,216,132	55,874	(12,443)	2,084,494	2,127,925
Fund balances at 31 March 2023		68,055	284,446	2,113,052	2,465,553	54,343	66,916	2,094,873	2,216,132

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 2023

	All income funds 2023 £	2022 £
Gross income	1,084,742	975,575
Total expenditure from income funds	853,500	897,747
Net income for the year	<u>231,242</u>	<u>77,828</u>

ENGINEERS IN BUSINESS FELLOWSHIP

BALANCE SHEET

AS AT 31 MARCH 2023

	Notes	2023 £	£	2022 £	£
Fixed assets					
Investments	13		1,737,241		1,568,324
Current assets					
Debtors	14	-		246	
Cash at bank and in hand		762,032		673,144	
		<u>762,032</u>		<u>673,390</u>	
Creditors: amounts falling due within one year	15	(33,720)		(25,582)	
Net current assets			728,312		647,808
Total assets less current liabilities			<u>2,465,553</u>		<u>2,216,132</u>
Capital funds					
<u>Endowment funds - general</u>					
Expendable endowment		2,113,052		2,094,873	
	16		2,113,052		2,094,873
Income funds					
Restricted funds	17		284,446		66,916
Unrestricted funds			68,055		54,343
			<u>2,465,553</u>		<u>2,216,132</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 2023, 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 2 October 2023

Ms M Ogunsulire
Trustee

Company Registration No. 07807250

ENGINEERS IN BUSINESS FELLOWSHIP

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023 £	£	2022 £	£
Cash flows from operating activities					
Cash generated from operations	20		244,847		103,017
Investing activities					
Purchase of investments		(675,582)		-	
Proceeds from disposal of investments		515,511		452,523	
Investment income received		4,112		1,921	
Net cash (used in)/generated from investing activities			(155,959)		454,444
Net cash used in financing activities			-		-
Net increase in cash and cash equivalents			88,888		557,461
Cash and cash equivalents at beginning of year			673,144		115,683
Cash and cash equivalents at end of year			762,032		673,144

ENGINEERS IN BUSINESS FELLOWSHIP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

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 2023

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.

Competition prizes are recognised as expenditure when the competition has taken place.

1.6 Fixed asset investments

Fixed assets investments include 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.

Fixed asset investments also include accumulation units held in a Common Investment Fund. These are measured at bid market value at the balance sheet date.

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 2023

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 2023

3 Donations and legacies

	Unrestricted funds	Restricted funds	Endowment funds general	Total Unrestricted funds	Restricted funds	Endowment funds general	Total
	2023	2023	2023	2023	2022	2022	2022
	£	£	£	£	£	£	£
Donations and gifts	180,000	890,436	5,269	1,075,705	185,000	780,000	973,476

Donations and gifts include £1,010,000 (2022: £965,000) 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 2023

4 Charitable activities

	Subscriptions 2023 £	Dinner fees 2023 £	Total 2023 £	Subscriptions 2022 £	Dinner fees 2022 £	Total 2022 £
Sales within charitable activities	10,688	3,570	14,258	10,557	-	10,557

5 Investments

	Restricted funds 2023 £	Endowment funds general 2023 £	Total 2023 £	Restricted funds 2022 £	Endowment funds general 2022 £	Total 2022 £
Interest receivable	48	4,064	4,112	18	1,903	1,921

ENGINEERS IN BUSINESS FELLOWSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

6 Charitable activities

	Total 2023	Total 2022
	£	£
Staff costs	36,702	39,295
Advertising and marketing	50,848	52,626
Bank fees	2,229	2,028
Communications	75,237	97,342
Other costs	3,657	2,330
Photography and video	27,641	29,216
Printing and photocopying	3,988	3,983
Professional fees	930	709
Publications	6,704	494
Scholarship and prize administration	51,004	47,559
Software and online services	3,688	2,882
Telephone and internet	775	1,753
Travel and subsistence	9,994	3,367
Venue hire	29,783	5,606
Website development	13,779	11,500
	<u>316,959</u>	<u>300,690</u>
Grant funding of activities (see note 7)	490,500	549,552
Share of support costs (see note 8)	18,350	19,647
Share of governance costs (see note 8)	27,691	27,858
	<u>853,500</u>	<u>897,747</u>
Analysis by fund		
Unrestricted funds	180,546	197,088
Restricted funds	672,954	700,659
	<u>853,500</u>	<u>897,747</u>

7 Grants payable

	Total 2023	Total 2022
	£	£
Grants administered by The Royal Academy of Engineering: Scholarships 8 (2022: 9) individuals	400,000	450,000
EIB Competition prizes	90,500	99,552
	<u>490,500</u>	<u>549,552</u>

ENGINEERS IN BUSINESS FELLOWSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

8 Support costs

	Support costs £	Governance costs £	2023 £	Support costs £	Governance costs £	2022 £
Staff costs	18,350	18,351	36,701	19,647	19,647	39,294
Audit fees	-	5,544	5,544	-	5,280	5,280
Accountancy	-	3,796	3,796	-	2,931	2,931
	<u>18,350</u>	<u>27,691</u>	<u>46,041</u>	<u>19,647</u>	<u>27,858</u>	<u>47,505</u>
Analysed between Charitable activities	<u>18,350</u>	<u>27,691</u>	<u>46,041</u>	<u>19,647</u>	<u>27,858</u>	<u>47,505</u>

9 Trustees

None of the Trustees (or any persons connected with them) received any remuneration during the year, but three of them were reimbursed a total of £23,077 for expenses (2022 - one was reimbursed £24,483).

ENGINEERS IN BUSINESS FELLOWSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

10 Employees

The average monthly number of employees during the year was:

	2023 Number	2022 Number
	1	1

Employment costs

	2023 £	2022 £
Wages and salaries	70,511	67,152
Social security costs	(466)	8,079
Other pension costs	3,358	3,358
	73,403	78,589

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

	2023 Number	2022 Number
£60,000 - £70,000	1	1

11 Net gains/(losses) on investments

	Endowment funds general 2023 £	Total 2022 £
Revaluation of investments	8,846	-

12 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

ENGINEERS IN BUSINESS FELLOWSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

13 Fixed asset investments

	Bank deposits	Other investments	Total
	£		£
Cost or valuation			
At 1 April 2022	1,568,324	-	1,568,324
Additions	15,582	660,000	675,582
Valuation changes	-	8,846	8,846
Disposals	(515,511)	-	(515,511)
At 31 March 2023	1,068,395	668,846	1,737,241
Carrying amount			
At 31 March 2023	1,068,395	668,846	1,737,241
At 31 March 2022	1,568,324	-	1,568,324

14 Debtors

	2023	2022
	£	£
Amounts falling due within one year:		
Prepayments and accrued income	-	246

15 Creditors: amounts falling due within one year

	2023	2022
	£	£
Accruals and deferred income	33,720	25,582

ENGINEERS IN BUSINESS FELLOWSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

16 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 2021	Incoming resources	Balance at 1 April 2022	Incoming resources	Revaluations gains and losses	Balance at 31 March 2023
	£	£	£	£	£	£
Expendable endowments						
Scholarship endowment fund	2,084,494	10,379	2,094,873	9,333	8,846	2,113,052
	<u>2,084,494</u>	<u>10,379</u>	<u>2,094,873</u>	<u>9,333</u>	<u>8,846</u>	<u>2,113,052</u>

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

17 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 2021	Incoming resources	Resources expended	Balance at 1 April 2022	Incoming resources	Resources expended
	£	£	£	£	£	£
Overseas donations	13,266	-	-	13,266	-	(13,266)
Scholarship donations	(25,709)	780,018	(700,659)	53,650	890,484	(659,688)
	<u>(12,443)</u>	<u>780,018</u>	<u>(700,659)</u>	<u>66,916</u>	<u>890,484</u>	<u>(672,954)</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 was received during the year ended 31 March 2022 to cover the deficit.

ENGINEERS IN BUSINESS FELLOWSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

18 Analysis of net assets between funds

	Unrestricted funds 2023 £	Restricted funds 2023 £	Endowment funds 2023 £	Total Unrestricted funds 2023 £	Restricted funds 2022 £	Endowment funds 2022 £	Total 2022 £
Fund balances at 31 March 2023 are represented by:							
Investments	-	-	1,737,241	1,737,241	-	1,568,324	1,568,324
Current assets/(liabilities)	68,055	284,446	375,811	728,312	54,343	66,916	647,808
	<u>68,055</u>	<u>284,446</u>	<u>2,113,052</u>	<u>2,465,553</u>	<u>54,343</u>	<u>2,094,873</u>	<u>2,216,132</u>

ENGINEERS IN BUSINESS FELLOWSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

19 Related party transactions

There were no disclosable related party transactions during the year (2022 - none).

20 Cash generated from operations	2023 £	2022 £
Surplus for the year	249,421	88,207
Adjustments for:		
Investment income recognised in statement of financial activities	(4,112)	(1,921)
Fair value gains and losses on investments	(8,846)	-
Movements in working capital:		
Decrease/(increase) in debtors	246	(12)
Increase in creditors	8,138	16,743
Cash generated from operations	244,847	103,017