

THE QUEEN ELIZABETH PRIZE FOR ENGINEERING FOUNDATION

England & Wales · Charity number 1147743

Details

Status Registered

Legal form Charitable company

Company number [08077332](#)

Registered 2012-06-19

Register [View on the Charity Commission register](#)

Contact

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Activities

Objects: 3.1 TO ADVANCE AND PROMOTE ENGINEERING IN THE UNITED KINGDOM AND AROUND THE WORLD, INCLUDING BY PROMOTING RESEARCH IN THE FIELD OF ENGINEERING AND THE DISSEMINATION AND APPLICATION OF THE RESULTS OF SUCH RESEARCH FOR THE BENEFIT OF THE PUBLIC AND BY ENCOURAGING YOUNG PEOPLE (AND IN PARTICULAR YOUNG PEOPLE IN THE UNITED KINGDOM) TO ASPIRE TO A CAREER IN ENGINEERING; AND 3.2 TO ADVANCE THE EDUCATION OF THE PUBLIC IN THE SUBJECT OF ENGINEERING; BY ESTABLISHING, AWARDING AND PROMOTING A HIGH-PROFILE AND INTERNATIONALLY-RECOGNISED PRIZE FOR ENGINEERING TO BE KNOWN AS "THE QUEEN ELIZABETH PRIZE FOR ENGINEERING" AND TO BE AWARDED TO AN INDIVIDUAL OR GROUP OF INDIVIDUALS RESPONSIBLE FOR A GROUND-BREAKING ADVANCE IN ENGINEERING WHICH HAS CREATED SIGNIFICANT INTERNATIONAL PUBLIC BENEFIT.

Activities: The Queen Elizabeth Prize for Engineering (QEPrize) is a biennial £1million global engineering prize that rewards and celebrates engineers responsible for a ground-breaking innovation in engineering of global benefit to humanity. Through the prize, the QEPrize Foundation works to raise the public profile of engineering and to inspire and engage young people in engineering.

Classification

- **How:** Other Charitable Activities
- **What:** Education/training, Arts/culture/heritage/science, Other Charitable Purposes
- **Who:** Children/young People, The General Public/mankind

Geography

- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£645,772	£2,101,035	£24,836,925	5
2024-03-31	£798,497	£2,587,726	£25,332,059	6
2023-03-31	£793,088	£2,076,275	£24,812,054	7
2022-03-31	£762,262	£1,567,918	£27,460,925	7
2021-03-31	£777,007	£2,065,476	£26,335,236	7

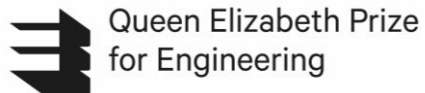
Trustees

Name	Role	Appointed
Lord Patrick John Thompson Vallance	Chair	2023-09-07
Angela Margaret Jane Hunter		2020-01-09
Dame Anne Richards DBE		2024-04-18
Dr Robert Langer		2024-04-18
Professor John Hennessy		2019-03-21
Professor Sir James Rufus McDonald		2024-12-05
Sir John Wilfred Lazar CBE		2024-09-16
Yewande Akinola MBE		2024-04-18

THE QUEEN ELIZABETH PRIZE FOR ENGINEERING FOUNDATION

England & Wales - Charity number 1147743

Accounts



THE QUEEN ELIZABETH PRIZE FOR ENGINEERING FOUNDATION

**REPORT AND ACCOUNTS
1 April 2024 TO 31 March 2025**

Charity Number: 1147743

Company Number: 8077332

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1. INTRODUCTION

The Queen Elizabeth Prize for Engineering Foundation (“QEPrize” or “the Foundation”) is dedicated to championing bold, groundbreaking innovation in engineering that helps humanity survive and thrive. By celebrating engineering visionaries and inspiring creative minds, we are working to secure the future of engineering for a better world.

Promoting excellence in engineering, the annual prize of £500,000 salutes engineering’s leading figures - individuals or those working together as a team - with the added purpose of inspiring young people to consider engineering as a career and encouraging existing engineers to help push the boundaries of innovation.

Our planet and humanity face increasingly significant and complex challenges. Diverse, multifaceted, and continually evolving, engineering helps develop solutions to those challenges - making the world we live in a better, more equitable, sustainable place.

Engineering has a living impact on people right around the globe; from medicines delivered to the body with precision by nano-scale devices, and the world’s biggest and greenest buildings, to the pinpoint accuracy of surgical robots, the world wide web, and ever-more sustainable energy sources.

Our 2025 QEPrize Laureates are Bill Dally, Fei-Fei Li, Geoffrey Hinton, Jensen Huang, John Hopfield, Yann LeCun and Yoshua Bengio, recognised for their seminal contributions to the advancement of Modern Machine Learning, a foundational component driving progress in artificial intelligence (AI).

The collective efforts of these engineering innovators have been pivotal in advancing the three core pillars of Modern Machine Learning: advanced algorithms, high-performance hardware, and high-quality datasets. It is the combination of these interrelated breakthroughs that underpins the widespread adoption and application of AI systems. The seamless integration of these contributions has enabled the development of powerful AI systems that are revolutionising industries, transforming daily life, and reshaping how we live and work - all made possible by the pioneering vision of this year’s Laureates.

Our new Laureates are the latest to join the outstanding group of engineers who have been awarded the Queen Elizabeth Prize for Engineering:

- 2013: Robert Kahn, Vinton Cerf, Louis Pouzin, Marc Andreessen and Sir Tim Berners-Lee for the internet and worldwide web.
- 2015: Dr Robert Langer for controlled release large molecule drug delivery.
- 2017: Eric Fossum, George Smith, Nobukazu Teranishi and Michael Tompsett for digital imaging sensors.



- 2019: Dr Bradford Parkinson, Professor James Spilker Jr, Hugo Fruehauf and Richard Schwartz for the global positioning system.
- 2021: Professor Isamu Akasaki, Professor Shuji Nakamura, Professor Nick Holonyak Jr, Dr M. George Craford and Professor Russell Dupuis for the creation and development of LED lighting.
- 2022: Dr Masato Sagawa for his work on the discovery, development and global commercialisation of the sintered Neodymium Iron Boron permanent magnet.
- 2023: Professor Martin Green, Professor Andrew Blakers, Dr Aihua Wang and Dr Jianhua Zhao for the invention and development of Passivated Emitter and Rear Cell (PERC) solar photovoltaic technology, which has underpinned recent exponential growth in high performance, low-cost solar electricity.
- 2024: Andrew Garrad CBE and Henrik Stiesdal, for their achievements in advancing the design, manufacture and deployment of high-performance wind turbines, allowing wind energy to make a substantial contribution to the world's electricity generation.

**FOREWORD – LORD VALLANCE OF BALHAM*****Chair, Queen Elizabeth Prize for Engineering Foundation***

The Queen Elizabeth Prize for Engineering (QEPrize) celebrates the power of engineering to change the world. It shines a spotlight on pioneering engineers whose innovations tackle global challenges and improve lives, while also inspiring the next generation to see engineering as a dynamic and rewarding career.

This year marks my first as Chair of the Queen Elizabeth Prize for Engineering Foundation, and it was a great privilege to announce our latest QEPrize Laureates. Their groundbreaking work in Modern Machine Learning is already reshaping industries, and redefining how we live and work. It's an exciting time, and we stand on the edge of even greater possibilities driven by this transformative technology.

Our commitment to public engagement continues to grow. The Engineers gallery, housed in London's iconic Science Museum, is approaching a major milestone: its one millionth visitor. Through this, and through initiatives like the QEPrize Ambassador Network and the global Create the Trophy competition, we are reaching new audiences and showing young people around the world the incredible impact of engineering.

The QEPrize not only honours remarkable engineering achievements but also fuels the ideas and innovations of tomorrow. The work of our Laureates, our Ambassadors, and the whole profession serves as a powerful reminder of engineering's global influence and its vital role in building a better future for all.

2. REPORT OF THE TRUSTEES

2.1 REFERENCE AND ADMINISTRATIVE DETAILS FOR THE CHARITY, ITS TRUSTEES AND ADVISORS

The Queen Elizabeth Prize for Engineering Foundation is a charitable company, registered as a charity with the Charity Commission with charity number: 1147743 and registered as a company with Companies House as company number 8077332.

The principal office of the QEPrize is 3 Carlton House Terrace, London SW1Y 5DG.

Trustees:

Lord Vallance of Balham (Chair)

Yewande Akinola

Professor John Hennessy

Baroness Hunter of Auchenreoch

Dr Robert Langer

Sir John Lazar (Ex-Officio, President of the Royal Academy of Engineering, from September 2024)

Professor Sir Jim McDonald (Deputy Chair, appointed December 2024)

Dame Anne Richards

The professional advisers to the QEPrize are as follows:

Legal advisers: Macfarlanes LLP, 20 Cursitor Street, London EC4A 1LT

Bankers: National Westminster Bank Plc, 250 Bishopsgate, London EC2M 4AA

Auditor: BDO LLP, 55 Baker Street, London W1U 7EU

Investment Advisers: Rathbones Investment Management, 30 Gresham Street, London EC2V 7QN

2.2 STRUCTURE, GOVERNANCE AND MANAGEMENT

The Queen Elizabeth Prize for Engineering Foundation is governed by the Articles of Association for a private company limited by guarantee. These were agreed by trustees on 21 May 2012 and amended by trustees on 19 September 2024. The sole member of the charitable company is the Royal Academy of Engineering.

The board of trustees of the charitable company consists of at least two (and no more than ten) nominated trustees, who are appointed by ordinary resolution or by a decision of the trustees, and one Ex-Officio trustee who is holder of the office of the President of the Royal Academy of Engineering. All material decisions in relation to the Foundation are taken by the trustees.

Funding, in the form of donations, for the Foundation has been received from the following engineering companies: BAE Systems plc, BG Group, BP plc, GlaxoSmithKline, Hitachi Ltd., Jaguar Land Rover, National Grid, Nissan Motor Company, Shell UK Ltd, Siemens UK, Sony Corporation, Tata Consultancy Services, Tata Steel Europe and Toshiba.

The current donor companies have, together, given donations of £27 million since the start of the Foundation. The QEPrize funds are managed by the trustees of the Foundation.

Day to day management of the Foundation is the responsibility of the CEO and the Associate Director who meet regularly. Strategy is set by the Trustee Board and implemented by the executive.

2.3 OBJECTIVES AND ACTIVITIES FOR THE PUBLIC BENEFIT**2.3.1 Objectives**

The objects of the Queen Elizabeth Prize for Engineering Foundation are, for the benefit of the public:

- to advance and promote engineering in the UK and around the world, including by promoting research in the field of engineering and the dissemination and application of the results of such research for the benefit of the public and by encouraging young people (and in particular young people in the United Kingdom) to aspire to a career in engineering; and
- to advance the education of the public in the subject of engineering by establishing, awarding and promoting a high-profile and internationally recognised prize for engineering known as 'The Queen Elizabeth Prize for Engineering' and to be awarded to an individual or group of individuals responsible for a ground-breaking advance in engineering which has created significant international public benefit.

In determining the objectives of the Foundation and in planning its activities, the trustees have given due consideration to the Charity Commission's guidance on public benefit.

The strategic objectives of the Foundation are to:

- A. establish the QEPrize as the pre-eminent global prize for engineering innovation.
- B. use the QEPrize to create a societal change in which engineering is widely recognised and valued.
- C. use the QEPrize to change perceptions of engineering so that it is an aspirational career for all young people.

To achieve these objectives the Foundation employs the following strategies:

- A. to grow the investment fund to a level which allows for the operation and awarding of the QEPrize to be financially sustainable.
- B. to raise the profile of the QEPrize specifically and, by extension, engineering generally, through increased media coverage of QEPrize activities.

Delivering Impact

The world needs more engineers, from all backgrounds, to address some of our greatest challenges. We believe one of the most effective ways we can increase the number and diversity of people within our profession is to raise the profiles of engineers and engineering globally, to help young people find role models they recognise, and to help world leaders discover innovations and innovators they can celebrate and work with and learn from.

The QEPrize does just this. We bring together global communities:

- of Experts, to identify the most influential engineering innovations and recognise them with an award of £500,000.
- of Ambassadors, to inspire young people with those innovations through engagement with young people online and in schools.
- of Partners, to ensure that we can continue to celebrate and advance engineering's impact for many years to come.

Already, the QEPrize has:

- given public recognition to 33 visionary innovators, helping people around the world understand the impact of engineering on their lives.



- enabled more than 250 ambassadors to spread the word about engineering's vital contribution to global challenges and raise their own profile as innovators and changemakers.
- helped nearly 8,000 young people to experience engineering design through involvement in our Create the Trophy competition.
- welcomed almost one million visitors to our Engineers Gallery, giving them the chance to see the real-world impact of QEPrize Laureates' work

Delivering Impact - theory of change

From mission to impact – our theory of change



2.4 STRATEGIC REPORT**2.4.1 Achievements to 31 March 2025*****The 2025 Queen Elizabeth Prize for Engineering Laureates***

In an event held at the Science Museum, in the presence of Her Royal Highness The Princess Royal and over 250 invited guests, Lord Vallance announced that the 2025 Queen Elizabeth Prize for Engineering would be awarded to seven engineers responsible for seminal contributions to the advancement of Modern Machine Learning, a foundational component driving progress in artificial intelligence (AI).

Together, the work of Bill Dally, Fei-Fei Li, Geoffrey Hinton, Jensen Huang, John Hopfield, Yann LeCun and Yoshua Bengio has been pivotal in advancing the three core pillars of Modern Machine Learning: advanced algorithms, high-performance hardware, and high-quality datasets. It is the combination of these interrelated breakthroughs that underpins the widespread adoption and application of AI systems.

From revolutionising healthcare diagnostics to enabling self-driving cars, their work highlights the transformative potential of AI in shaping a better future. The 2025 QEPrize honours their ingenuity and vision, recognising their profound impact on engineering and society as a whole.

“Engineers are builders of the future. And engineering is the art and science of turning imagination into reality, solving challenges once thought impossible, and uplifting the human condition. I am deeply honoured to receive the Queen Elizabeth Prize for Engineering and to be recognised among the pioneers whose work has shaped the world we live in today.”

Jensen Huang, 2025 QEPrize Laureate

“I am deeply honoured to receive the Queen Elizabeth Prize for Engineering, especially in such esteemed company alongside my fellow honourees. My life’s work has been dedicated to the imperative of ensuring the development of the most impactful technology of our generation benefits humanity, and my hope is that this recognition will drive further awareness of the need continue to keep human values at the centre of AI’s development.”

Fei-Fei Li, 2025 QEPrize Laureate

Media Coverage Throughout the Cycle

The 2025 QEPrize announcement garnered significant media coverage across the UK and further afield. Broadcast highlights included a full feature package for Sky News, while Lord Vallance and Laureates were interviewed by The Times and The Guardian. News of the Laureates’ success returned over 200 pieces of organic coverage, in over 20 international markets spanning four continents.

2025 Create The Trophy Competition

“This competition is an opportunity for young people to get a taster or a feeler of what engineering really is about because they have a client, they’ve got a brief that they need to respond to and then they have the opportunity to design something in a really thoughtful way and maybe even get it produced at the end.”

Roma Agrawal MBE, Create the Trophy Competition Judge

The 2025 Create the Trophy Competition received hundreds of entries from 24 countries around the world. The winning design, submitted by Prerak Bothra, was chosen by the judges for its considered structure, which they felt really communicated clearly the essence of engineering and the fact that it was the Queen Elizabeth Prize for Engineering trophy.

Prerak is a 24-year-old design student from India. His design was inspired by the core values of the QEPrize, innovation, global impact and excellence. The central core symbolises balance, stability and unity, while also echoing the QEPrize logo's three horizontal lines. Prerak aims to capture the prestige, innovation and the transformative power of engineering with his trophy design. As someone deeply curious about how design and engineering can shape the world, he believes the Create the Trophy Competition *"offers an incredible opportunity to showcase my skills and ideas on a global stage"*.

The judges also highly commended Ramya Krishnamoorthy's design for its novel way of using form and geometry. Ramya, who is 14 and from the UK, wanted her design to evoke the image of growing plants, representing the continuous learning and growth mindset essential for engineers to become outstanding innovators. She entered the competition because she viewed it as *"a fantastic opportunity to further explore the world of design and engineering."*

Public Engagement

Engineers Gallery at the Science Museum

Our Engineers gallery, delivered in partnership with the Science Museum, continues to go from strength to strength.

Since opening in June 2023 the gallery, which celebrates the engineering community and showcases a wide variety of key innovations through the global lens of the Queen Elizabeth Prize for Engineering, has welcomed almost one million visitors.

Research shows young people's knowledge of engineering is low, and what they do know is often influenced by stereotypes and misinformation (Educational Pathways into Engineering, Engineering UK 2020). By connecting audiences with people from a wide range of backgrounds who have created and pursued innovation, this new gallery provides a much-needed entry to a subject many feel disconnected from, and opens young people's eyes to the possibilities it affords.

Engineers continues to be the most popular gallery at the Science Museum with the Foundation's key target audience – KS3 and KS4 students.

Over the coming years Engineers will play a key role in delivering the Foundation's objective to inspire the next generation.

QEPrize in Copenhagen

The QEPrize began 2025 with an event in Copenhagen celebrating the work of the 2024 Laureates, Henrik Stiesdal and Andrew Garrad.

Lord Vallance welcomed delegates, including the UK Ambassador to Denmark, to the event, and he was joined by Denmark's Climate Minister, Lars Løkke Rasmussen.

Organised in conjunction with the Danish Academy of Technical Sciences, the event focussed on exploring the role to be played by wind energy in helping both the UK and Denmark meet Net Zero targets. Over 100 delegates heard keynote addresses from both Laureates, as well as two panel discussions examining some of the technical and commercial challenges facing the industry.

The QEPrize Ambassador Network

The QEPrize Ambassador Network unites early-career engineers from diverse fields worldwide, aiming to inspire the next generation to pursue engineering careers. QEPrize Ambassadors can be found in more than twenty countries, working in almost 100 companies and academic institutions and engaged in a wide variety of engineering disciplines.

The Network empowers young engineers by developing transferable skills, offering opportunities to learn from industry leaders, and providing a platform for international collaboration. Through dynamic events, including practical projects, volunteering initiatives, and workshops, the Network helps showcase the best of engineering, excites the public about the profession, and inspires younger generations to tackle future challenges.

Ambassador Case Studies

Engineers Speed Mentoring for Girls, International Women in Engineering Day

Building on the success of the first QEPrize Engineers Speed Mentoring for Girls at the launch of the Engineers gallery at the Science Museum in June 2024, women QEPrize Ambassadors were invited to speed mentor Year 8 girls (12- to 13-years old) in mid-2024. Held in the inspiring Engineers gallery, the speed mentoring was timed to coincide with International Women in Engineering Day 2024 (INWED24) and promoted on QEPrize social media channels to raise the profile of both INWED and the QEPrize.

The event provided a unique opportunity for Year 8 girls from two schools – one with a pupil premium of 38.9% - to meet women engineers, ask them questions about what an engineer actually does and quiz them about their pathways to engineering. Alongside this, the girls also had the opportunity to develop interpersonal skills such as confidence, communication and networking. QEPrize Ambassadors followed up with visits to the schools to speak about engineering as a career to the whole Year 8 cohorts (approximately 200 per school) on International Women in Engineering Day.

“The most interesting thing I learnt about women engineers today was the fact that there were so many different types of engineering and also the fact that they’ve done so many incredible things that I’d never heard about before.”

Year 8 secondary schoolgirl

“Events like this are so important in combatting stereotypes and giving opportunities to people who may have never met an engineer to find out about what engineering is. It’s a huge step to helping young people make informed decisions when choosing their career.”

Philippa Jefferis, BAM (QEPrize Ambassador)

Power Up Book Launch

In line with our mission to highlight engineering's role in solving global challenges, the QEPrize proudly hosted the launch of *Power Up: An Engineer's Adventures into Sustainable Energy* by QEPrize Ambassador and chemical engineer Yasmin Ali. The event celebrated Yasmin's work and her exploration of how engineering can drive sustainable change.

Yasmin's role as a QEPrize Ambassador exemplifies the broader impact of our outreach initiatives - supporting diverse voices, elevating public engagement with engineering, and inspiring current and future engineers to contribute to solutions that will shape a better tomorrow.

"This reminds me why I do what I do – I get to talk about the joy of engineering and the difference I can make in the energy sector, the energy transition, and to the climate crisis. It can be easy to forget this bigger picture when I am stuck in the day-to-day. In addition, when I was younger and trying to choose a career, I didn't know much about engineering. I want to do my best to change that for others, especially girls, by engaging with them and showing them how incredible and varied life in engineering can be."

Yasmin Ali, RWE (QEPrize Ambassador)

Engagement with Schools

Throughout the year, the QEPrize continued to build meaningful connections with schools, using the expertise and experiences of our Ambassadors to engage and inspire young people - particularly girls - towards careers in engineering. These efforts are part of our wider mission to showcase the diversity and real-world impact of engineering to the next generation.

At Cranbrook School in Kent, which is committed to encouraging its brightest girls to consider STEM careers, QEPrize Ambassador Dr Mahmoud Wagih delivered a virtual session to Year 7 students (aged 11 - 12). Demonstrating how electronics can "see" and "charge" using electromagnetic waves, he introduced students to everyday applications of wireless technologies. The session sparked enthusiasm and curiosity, with students asking questions about safety, current uses, and the future potential of remote energy transfer.

Similarly, our partnership with Lammas School in East London offered another platform to connect with young minds. Following the 2024 Speed Mentoring event, where students first met QEPrize Ambassador Gunay Shamilova, Gunay was invited to speak at a Year 8 assembly.

Drawing from her own journey, she shared how she became a corrosion engineer, her academic path, and the responsibilities of her current role. Her talk offered students a glimpse into a specialised and often overlooked field, broadening their understanding of the many directions an engineering career can take. Gunay also spoke about the value of these outreach experiences in sharpening her communication skills and in gaining insight into the interests of young learners, key considerations for future engagement.

Together, these case studies highlight the power of real-life stories and relatable role models in motivating young people to explore engineering. They also reflect the core aims of the QEPrize Ambassador programme: to inspire, educate, and empower the engineers of tomorrow.

2.4.2 Financial Review

The total income for the year was £645,772 (2023/24 £798,497) of which £2,503 (2023/24 £187,602) was donations. The cost of raising funds was £157,099 (2023/24 £188,501). Expenditure on charitable activities was £1,943,937 (2023/24 £2,399,225), including £500,000 (2023/24 £500,000) awarded for the 2025 prize.

The carrying value of net assets at 31 March 2025 was £24,836,924 (2024 £25,332,059). The value of QEPrize investment portfolio decreased by £581,510 (2024 £836,522 increase) with net investment gain of £960,129 (additions £5,940,693 disposals £7,482,331) and withdrawals of £2,000,000. At 31 March 2025 investments were valued at £24,821,453 (2024 £25,402,963).

The overall investment objectives are to create both income and capital growth such that the real capital value of the portfolio is maintained over the long term, thus allowing the prize to be awarded in perpetuity. The portfolio is managed on a total return basis with a medium risk profile. The QEPrize ensures that portfolio performance is measured against a customised benchmark of UK and global indices and Bank of England base rate. The projected spend rate in delivering the prize is expected to be £2m per annum over the medium term. The investments are maintained with a long-term investment time horizon of over 10 years.

The QEPrize does not invest in organisations which conflict with the charity's purpose. The Trustees do not wish to invest in companies or funds that derive their income from the sale or manufacture of tobacco products. No initial investment will exceed 10% of the value of the fund. Bonds held will be "BBB" or better classification.

Going Concern

No material uncertainties that may cast significant doubt about the ability of the charity to continue as a going concern have been identified by the Trustees, and therefore, these financial statements have been prepared on a going concern basis.

The Foundation's senior management team monitor the cash position on a monthly basis by looking at the cash flow forecast for the next twelve months, broken down by month. This forecast, combined with an assessment of the future reserves position, forms the basis of the assessment of going concern. It has been stress tested to reflect several possible scenarios, including using reverse stress testing. In doing so, we have particularly considered the impact of a global economic recession that negatively impacts on the Foundation's ability to raise further significant funds.

Based on these forecasts, the Trustees believe that the going concern basis of accounting remains appropriate for our accounts.

Over the 2024/25 financial year, the Foundation's managed investment funds have been maintained at a level that is sufficient to support the awarding of the Queen Elizabeth Prize for Engineering for many more cycles.

2.4.3 Plans for Future Years

The objectives for the next QEPrize cycle are as follows:

- To **celebrate the 2024 and 2025 Queen Elizabeth Prize for Engineering** Laureates at their Presentation Ceremony.
- To ensure the **Engineers gallery at London's Science Museum** continues to provide a home for a range of targeted engagement activities, highlighting the power of engineering.
- To reveal the winner(s) of the 2026 Queen Elizabeth Prize for Engineering To continue to **raise the profile of the QEPrize** throughout the world and to firmly establish the prize as the most significant global award for engineers and engineering.
- To continue to use the QEPrize to **raise the public profile of engineering** in the UK and to inspire a generation of young people to consider engineering as a career.

The QEPrize team will work on external events, promoting both the QEPrize and engineering in general at home and internationally.

The development of the QEPrize's digital platforms and podcast programme will continue, recognising their strategic importance in spreading the Foundation's messages amongst a global audience.

Appendix:

QEPrize Judges 2024/25

2.4.4 Reserves

Total QEPrize funds at 31 March 2025 decreased by £0.5m to £24.8m due to a net investment gain of £1.0m and a £1.5m net deficit from operating activities. QEPrize investments are held in a managed investment fund to provide long-term real growth, cash and liquidity.

The Trustees have determined that the QEPrize should maintain a level of free reserves between £20-40m. The QEPrize holds free reserves so that it can fund the QEPrize in perpetuity.

Free reserves as at 31 March 2025 were £24.8m, so the QEPrize is operating within the reserves policy set. Of this, £24.8m was held as investments. The difference between free reserves and investments was £0.02m, being the net of cash, short term deposits and current liabilities. Cash at bank and short-term deposits totaled £0.6m.

2.4.5 Principal Risks and Uncertainties

The three principal risks to the charity, along with the main mitigations and contingencies, are listed below.

- **The QEPrize fund is not sufficient to sustain the prize in perpetuity.** The trustees have established an investment strategy to maximise returns from the donations, and a business plan to secure additional donations. At the current trajectory the investment fund provides for the continuation of the prize over many more prize cycles.
- **The QEPrize has a low or poor profile with the global engineering community, compromising the credibility of the QEPrize and then therefore its effectiveness as a communications tool.** The global engineering community have been actively engaged in the QEPrize from the beginning in judging and in the global search for nominations. The global networks of the QEPrize, its Trustees, stakeholders and governments are informed, engaged and supportive of the prize. International media interest in the prize has been cultivated to ensure that its profile has grown significantly enabling it to reach a widespread global audience and establish itself as the world's most prestigious prize in engineering.
- **Public awareness of the QEPrize in the UK is low or poor, compromising its effectiveness as a communications tool.** A global PR agency – Edelman – works closely with the QEPrize team to advise and direct activities to ensure maximum PR benefit is secured from the prize process wherever possible. The media reach and communications impact of the QEPrize are tracked and monitored by audience.

Risk Management

The trustees maintain a register of all major risks to which the charitable company is exposed and a list of the systems and procedures in place to manage or mitigate those risks. These are recorded in the form of a risk register. The executive team meets quarterly with trustees to review activity, agree priorities and manage risks. The trustees confirm that the major risk to which the charitable company is exposed is not being self-sustainable for future charitable activities. A shared internal audit function has reviewed various issues including fundraising activity.

Charity Governance Code

The Board of Trustees adopted in full the Charity Governance Code for smaller charities in January 2020.

2.4.6 Remuneration Policy

The QEPrize policy is to pay staff salaries at the market mid-point. Salaries are reviewed in alternate years following a market benchmarking exercise conducted by independent consultancy. The next review will take place in November 2025.

In setting appropriate levels of senior management pay, the QEPrize considered the skills, experience and competencies required for each role, and the remuneration level for those roles in sectors where suitable candidates would be found.



2.4.7 Auditor

BDO LLP was reappointed auditor during the year.

Disclosure of Information to Auditor

In the case of each of the persons who are Trustees of the charitable company at the date when this report was approved:

- so far as each of the Trustees is aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- each of the Trustees has taken all the steps that he/she ought to have taken as a Trustee to make himself/herself aware of any relevant audit information (as defined) and to establish that the charity's auditor is aware of that information.

Approved by the Trustees on the 11th of August 2025 and signed on their behalf by:

.....
Chair, Lord Vallance of Balham

.....
Sir John Lazar

3. STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for preparing the Annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period.

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 applicable Charities SORP;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

Financial statements are published on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the charity's website is the responsibility of the trustees. The trustees' responsibility also extends to the ongoing integrity of the financial statements contained therein.

4. INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE QUEEN ELIZABETH PRIZE FOR ENGINEERING FOUNDATION

Opinion on the financial statements

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 2025 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.

We have audited the financial statements of The Queen Elizabeth Prize for Engineering Foundation ("the Charitable Company") for the year ended 31 March 2025 which comprise the statement of financial activities (incorporating an income and expenditure account), the balance sheet, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remain independent of the Charitable Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions related to going concern

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

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

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

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Report and Accounts, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the 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.

Other Companies Act 2006 reporting

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

- the information given in the Trustees' Report, which includes the Directors' Report and the Strategic report prepared for the purposes of Company Law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' Report, which are included in the Trustees' Report, have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Charitable Company and its environment obtained in the course of the audit, we have not identified material misstatement in the Strategic report or the Trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or

- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report.

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Charitable Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Charitable Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under the Companies Act 2006 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.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Non-compliance with laws and regulations

Based on:

- Our understanding of the Charitable Company and the sector in which it operates;
- Discussion with management and those charged with governance; and

- Obtaining and understanding of the Charitable Company's policies and procedures regarding compliance with laws and regulations

we considered the significant laws and regulations to be the applicable accounting framework and relevant Charities Act.

The Charitable Company is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be relevant tax legislation, employment law, data protection and fundraising regulations.

Our procedures in respect of the above included:

- Review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation; and
- Review of legal expenditure accounts to understand the nature of expenditure incurred.

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Charitable Company's policies and procedures relating to:
 - Detecting and responding to the risks of fraud; and
 - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements; and
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.

Based on our risk assessment, we considered the area most susceptible to fraud to be management override of controls. Our procedures in respect of the above included testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment

by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ("FRC's") website at:

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Charitable Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Charitable Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charitable Company and the Charitable Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Fiona Condrón (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
London, UK

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

**5. STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING INCOME AND EXPENDITURE ACCOUNT)**

		1 April 24 To 31 March 2025	1 April 23 To 31 March 2024
	Notes		
Income from			
Donations	3	2,503	187,602
Investments	4	643,269	610,895
Total		645,772	798,497
Expenditure on			
Raising Funds	5	157,098	188,501
Charitable Activities	6	1,943,937	2,399,225
Total		2,101,035	2,587,726
Net Deficit From Operating Activities		(1,455,263)	(1,789,229)
Net Investment Gains/(Losses)			
Realised Gains/(Losses) on Investments	12	524,970	(137,946)
Unrealised Gains on Investments	12	435,159	2,447,180
Realised and Unrealised Gains on investments		960,129	2,309,234
Net (Losses)/Gains and net movement in funds for the year	8	(495,134)	520,005
Reconciliation of funds			
Total Funds Brought Forward		25,332,059	24,812,054
Total Funds Carried Forward	8	24,836,925	25,332,059

The above funds are unrestricted. There were no other recognised gains and losses other than those stated above. All the above income and expenditure is derived from continuing activities.

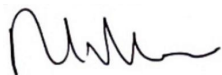
The notes on pages 26 to 31 form part of these financial statements.

6. BALANCE SHEET AT 31 MARCH 2025**Company number: 8077332**

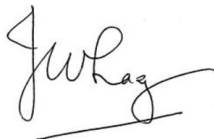
	<u>Notes</u>	At 31 March 2025	At 31 March 2024
			£
INVESTMENTS	12	24,821,454	25,402,963
CURRENT ASSETS			
Debtors	13	18,535	22,041
Short term deposits		257,649	183,862
Cash at bank		293,414	576,504
Total current assets		569,598	782,407
CURRENT LIABILITIES			
Creditors	14	554,127	853,311
NET CURRENT ASSETS/(LIABILITIES)		15,471	(70,904)
TOTAL NET ASSETS		24,836,925	25,332,059
The funds of the foundation:			
Unrestricted funds	8	24,836,925	25,332,059
Total Charity Funds		24,836,925	25,332,059

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

Approved by the Trustees and authorised for issue on the 11th of August 2025 and signed on their behalf by:



.....
Chair, Lord Vallance of Balham



.....
Sir John Lazar

The notes on pages 26 to 31 form part of these financial statements.

7. NOTES TO THE ACCOUNTS**1 ACCOUNTING POLICIES****Basis of Accounting**

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

The preparation of the financial statements in compliance with FRS102 Section 1A Small Entities requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the accounting policies. The following principal accounting policies have been applied:

Exemptions for qualifying entities under FRS 102

As a consolidated cash flow statement is prepared by the company's parent, the company has taken advantage of the exemption provided by FRS102 not to report a separate statement of cash flows.

Going Concern

The Queen Elizabeth Prize for Engineering Foundation derives its income from donations and investment income. Over the 2024/25 financial year, the Foundation's managed investment funds have been maintained at a sufficient level to support the awarding of the Queen Elizabeth Prize for Engineering for many more cycles. Therefore, the Trustees believe that the Foundation will continue as a going concern for the foreseeable future and continues to adopt the going concern basis in preparing the financial statements.

Income

- Income received by way of donations is included in full in the statement of financial activities when receivable.
- Dividend income and interest receivable are included in the statement of financial activities on an accrual basis.
- Donated services are recognised when the benefit to the charitable company is reasonably quantifiable. The value placed on these resources is the estimated value to the charitable company of the service received.

Expenditure

Expenditure is recognised on an accrual basis. The cost of the QEPrize is recognised in the financial year in which it is awarded. Irrecoverable VAT is charged against the category of expenditure for which it is incurred.



Support Costs

Support costs are those functions that assist the work of the charity and mainly comprise staff costs and overheads (in the form of a management fee from the ultimate controlling entity, The Royal Academy of Engineering). These costs have been allocated between the costs of raising funds and expenditures on charitable activities.

Investments

The portfolio is stated at bid-market value at the balance sheet date. Any unrealised and realised gain or loss on revaluation is taken to the Statement of Financial Activities.

Financial Instruments

The Foundation only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Cash at Bank

Cash not required for working capital purposes is transferred to the investment portfolio.

Estimates and Judgements

In preparing these financial statements, it has not been necessary for the Trustees to make any significant judgements or estimates.

2 SERVICE CHARGE

The Royal Academy of Engineering levied a service charge of £314,367 (2023/24 £299,398) on The Queen Elizabeth Prize for Engineering Foundation for the year ended 31 March 2025 in respect of the administration costs incurred on behalf of the Foundation.

3 VOLUNTARY INCOME

	Year ended 31 March 2025	Year ended 31 March 2024
	£	£
Donations received	2,503	187,602
	<u>2,503</u>	<u>187,602</u>



4 INVESTMENT INCOME

	Year ended 31 March 2025	Year ended 31 March 2024
	£	£
Investment income	637,358	607,159
Interest	5,911	3,736
	<u>643,269</u>	<u>610,895</u>

5 RAISING FUNDS

	Year ended 31 March 2025	Year ended 31 March 2024
	£	£
Support costs	77,306	85,539
Investment costs	79,792	102,962
	<u>157,098</u>	<u>188,501</u>

Included in support costs are £39,549 (2023/24 £34,193) of staff costs.

6 CHARITABLE ACTIVITIES

	Year ended 31 March 2025	Year ended 31 March 2024
	£	£
Prize	500,000	500,000
Prize trophy	30,746	39,934
Award ceremony & events	441,662	666,427
Judging expenses	92,206	125,999
Publicity and communication	243,125	496,347
Support costs	567,858	528,465
Website costs	20,448	3,855
Other	25,027	19,815
Governance costs	22,865	18,383
	<u>1,943,937</u>	<u>2,399,225</u>

Included in support costs are £290,027 (2022/23 £250,285) of staff costs. Support costs are those functions that assist the work of the charity and mainly comprise staff costs and overheads. These costs have been allocated between costs of raising funds and expenditure on charitable activities based on staff time.

**7 STAFF COSTS**

	Year ended 31 March 2025	Year ended 31 March 2024
	£	£
Wages and salaries	267,405	230,638
Social securities	30,834	26,495
Pension costs	31,384	27,237
Other	-	108
	<u>329,623</u>	<u>284,478</u>

The emoluments of higher paid staff within the following scales were:

	Number	Number
£70,001 - £80,000	1	-
£80,001 - £90,000	-	1
£90,001 - £100,000	1	-

The Royal Academy of Engineering employed five (2023/24 six) staff members who were seconded to the QEPrize Foundation in the year. One of the employees resigned during the year.

The senior management team consists of the Associate Director, who manages the day-to-day operations of the charity. Their aggregate remuneration in the year was £95,374 (2023/24 £86,048). There were no resignations and no appointments among the senior management team during the year.

8 FOUNDATION FUNDS UNRESTRICTED

	2025 £	2024 £
(Deficit)/Surplus for year to 31 March 2025	(495,135)	520,005
General Fund at 1 April 2024	25,332,059	24,812,054
Balance	<u>24,836,924</u>	<u>25,332,059</u>

9 TRUSTEES' EXPENSES AND REMUNERATION

No trustee received any reimbursement of expenses (2023/24 – nil). No trustee received any remuneration (2023/24 – nil).

10 CORPORATION TAXATION

The Foundation 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 objectives.



11 NET EXPENDITURE FOR THE YEAR

	2025 £	2024 £
Net expenditure for the year is stated after charging audit fee for the year	14,706	14,280

12 INVESTMENTS

	2025 General Fund £	2024 General Fund £
Market Value at 1 April	25,402,963	24,566,441
Add Acquisitions at Cost	5,940,693	11,209,591
Less Disposals at Book Value	(7,482,330)	(12,682,303)
Net Realised Gain/(Loss) on Revaluation at 31 March	524,970	(137,946)
Net Unrealised Gain on Revaluation at 31 March	435,159	2,447,180
	24,821,454	25,402,963

Investments consist of securities listed on global stock markets (65% of portfolio) and fixed interest bonds/diversified assets (35% of portfolio).

13 DEBTORS

	2025 £	2024 £
Accrued Income	18,535	19,306
Other Debtor	-	2,735
	18,535	22,041

14 CREDITORS

	2025 £	2024 £
Trade Creditors	-	8,805
Amounts due to parent company	140	102,880
Accruals	553,987	741,626
	554,127	853,311

**15 ULTIMATE CONTROLLING ENTITY**

As its sole member, the trustees of the Queen Elizabeth Prize for Engineering Foundation consider The Royal Academy of Engineering to be the ultimate controlling entity. The Academy is a registered charity No. 293074. The registered office is 3 Carlton House Terrace, St. James's, London, SW1Y 5DG, UK.

The Royal Academy of Engineering brings together the most successful and talented engineers from across the profession and its fellows for a shared purpose: to advance and promote excellence in engineering for the benefit of society.

The QEPrize accounts have been consolidated within Academy's accounts and can be obtained from Academy's website (<https://www.raeng.org.uk/about-us/academy-publications>).

16 RELATED PARTY TRANSACTIONS

The QEPrize has the following transactions with the controlling party, The Royal Academy of Engineering:

	Year ended 31 March 2025	Year ended 31 March 2024
	£	£
Salary recharges	329,623	284,941
Management Fee	314,367	299,398

No amounts are due or outstanding at year end.

Appendix I: QEPrize Panel Judges, 2024/25

Name	Job title	Country
Professor Dame Lynn Gladden DBE	Chair of Judges Shell Professor of Chemical Engineering, University of Cambridge	UK
Dr John L Anderson	President, National Academy of Engineering	USA
Professor Carlos Henrique de Brito Cruz	Senior Vice President, Research Networks, Elsevier	Brazil
Dr Josephine Cheng	Former Vice President, IBM Research	USA
Dr Abdigani Diriye	Co-Founder & CPO, Bloom Technologies	Somalia
Professor Orla Feely	President, University College Dublin	Ireland
Dr Alan Finkel	Former Chief Scientist of Australia	Australia
Professor Nick Jennings CBE	Vice Chancellor, Loughborough University	UK
Professor Teck Seng Low	Former CEO, National Research Foundation (NRF)	Singapore
Ilya Marotta	Deputy Administrator, Panama Canal Authority	Panama
Dr Raghunath Mashelkar	National Research Professor, Chairman of the National Innovation Foundation and President of Global Research Alliance	India
Professor Tatsuya Okubo	Executive Vice President & Professor of Chemical System Engineering, University of Tokyo	Japan
Professor Tuula Teeri	President, Royal Swedish Academy of Engineering Sciences	Sweden
Professor Dr Dr hc Viola Vogel	Head of Laboratory of Applied Mechanobiology, ETH Zurich	Switzerland

THE QUEEN ELIZABETH PRIZE FOR ENGINEERING FOUNDATION

England & Wales - Charity number 1147743

Accounts



Queen Elizabeth Prize
for Engineering

REPORT AND ACCOUNTS: FOR THE YEAR TO 31 MARCH 2024

THE QUEEN ELIZABETH PRIZE FOR ENGINEERING FOUNDATION

**REPORT AND ACCOUNTS
1 April 2023 TO 31 March 2024**

Charity Number: 1147743

Company Number: 8077332



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1. INTRODUCTION

The Queen Elizabeth Prize for Engineering (“QEPrize” or “the Foundation”) is dedicated to championing bold, groundbreaking innovation in engineering that helps humanity survive and thrive. By celebrating engineering visionaries and inspiring creative minds, we are working to secure the future of engineering for a better world.

Promoting excellence in engineering, the annual prize of £500,000 salutes engineering’s leading figures - individuals or those working together as a team - with the added purpose of inspiring and exciting young people to consider engineering as a discipline and career choice whilst additionally encouraging existing practitioners to help push the boundaries of engineering.

Our planet and humanity face increasingly significant and complex challenges. Diverse, multifaceted, and continually evolving, engineering helps develop solutions to those challenges - making the world we live in a better, more equitable, sustainable place.

Adding value to billions of lives, engineering has a living impact; medicines delivered to the body with precision by nano-scale devices, the world’s biggest and greenest buildings, the pinpoint accuracy of surgical robots, the world wide web, GPS satellite tracking.

To date, the Queen Elizabeth Prize for Engineering has recognised the following Laureates:

- 2013: Robert Kahn, Vinton Cerf, Louis Pouzin, Marc Andreessen and Sir Tim Berners-Lee for the internet and worldwide web.
- 2015: Dr Robert Langer for controlled release large molecule drug delivery.
- 2017: Eric Fossum, George Smith, Nobukazu Teranishi and Michael Tompsett for digital imaging sensors.
- 2019: Dr Bradford Parkinson, Professor James Spilker Jr, Hugo Fruehauf and Richard Schwartz for the global positioning system.
- 2021: Professor Isamu Akasaki, Professor Shuji Nakamura, Professor Nick Holonyak Jr, Dr M. George Craford and Professor Russell Dupuis for the creation and development of LED lighting.
- 2022: Dr Masato Sagawa for his work on the discovery, development and global commercialisation of the sintered Neodymium Iron Boron permanent magnet.
- 2023: Professor Martin Green, Professor Andrew Blakers, Dr Aihua Wang and Dr Jianhua Zhao for the invention and development of Passivated Emitter and Rear Cell (PERC) solar photovoltaic technology, which has underpinned recent exponential growth in high performance, low-cost solar electricity.



Our latest Laureates are Andrew Garrad CBE and Henrik Stiesdal, recognised for their achievements in advancing the design, manufacture and deployment of high-performance wind turbines, allowing wind energy to make a substantial contribution to the world's electricity generation. Over the last four decades, Garrad and Stiesdal have made groundbreaking engineering inputs, developing the early technology and maintaining their presence in leading positions as the industry has grown, enabling the world's biggest rotating machines, which help drive progress towards a net-zero energy economy.



FOREWORD – LORD BROWNE OF MADINGLEY
Chair, Queen Elizabeth Prize for Engineering Foundation

Last year, the Queen Elizabeth Prize for Engineering celebrated the tenth anniversary of our first award.

In the intervening period while much has changed across the world one thing has remained constant – and that is the ability of engineering to make the world a better place for society.

Looking at the innovations that the Queen Elizabeth Prize for Engineering has celebrated, the power of engineering is clear. From the internet and the World Wide Web, and precise drug delivery systems, to the work of our newest Laureates who have enabled the development of large scale, highly efficient wind turbines – without these innovations our lives would be very much more difficult.

The Queen Elizabeth Prize for Engineering is not only about the engineering visionaries of today, but it serves also to inspire the creative minds of tomorrow. We were delighted this year to open our new Engineers gallery, in partnership with the Science Museum, to bring engineering to light for a new generation. We will continue to use the gallery to engage with young people and others to highlight the vital role engineers and engineering play in making our world a better place.



2. REPORT OF THE TRUSTEES

2.1 REFERENCE AND ADMINISTRATIVE DETAILS FOR THE CHARITY, ITS TRUSTEES AND ADVISORS

The Queen Elizabeth Prize for Engineering Foundation ('QEPrize Foundation') is a charitable company, registered as a charity with the Charity Commission with charity number: 1147743 and registered as a company with Companies House as company number 8077332.

The principal office of the QEPrize Foundation is 3 Carlton House Terrace, London SW1Y 5DG.

Trustees:

Yewande Akinola (appointed April 2024)

Lord Browne of Madingley (Chair, retired April 2024)

Mala Gaonkar (retired April 2024)

Professor John Hennessy

Angela Hunter

Dr Robert Langer (appointed April 2024)

Professor Sir Jim McDonald (Ex-Officio, President of the Royal Academy of Engineering)

Sir Paul Nurse (retired April 2024)

Dame Anne Richards (appointed April 2024)

Lord Vallance of Balham (appointed September 2023, Chair from April 2024)

The professional advisers to the QEPrize Foundation are as follows:

Legal advisers: Macfarlanes LLP, 20 Cursitor Street, London EC4A 1LT

Bankers: National Westminster Bank Plc, 250 Bishopsgate, London EC2M 4AA

Auditor: BDO LLP, 55 Baker Street, London W1U 7EU

Investment Advisers: Investec Wealth & Investment Limited, 30 Gresham Street, London EC2V 7QN

Dr Hayaatun Sillem CBE, Chief Executive Officer, and Jonathan Narbett, Associate Director, of the Queen Elizabeth Prize for Engineering Foundation, have been given authority to carry out day-to-day administrative functions on behalf of the Charity.



2.2 STRUCTURE, GOVERNANCE AND MANAGEMENT

The Queen Elizabeth Prize for Engineering Foundation is governed by the Articles of Association for a private company limited by guarantee. These were agreed by trustees on 21 May 2012 and amended by trustees on 4 March 2013. The sole member of the charitable company is the Royal Academy of Engineering.

The board of trustees of the charitable company consists of at least two (and no more than six) nominated trustees, who are appointed by ordinary resolution or by a decision of the trustees, and one Ex-Officio trustee who is holder of the office of the President of the Royal Academy of Engineering. All material decisions in relation to the Foundation are taken by the trustees.

Funding, in the form of donations, for the Foundation has been received from the following engineering companies: BAE Systems plc, BG Group, BP plc, GlaxoSmithKline, Hitachi Ltd., Jaguar Land Rover, National Grid, Nissan Motor Company, Shell UK Ltd, Siemens UK, Sony Corporation, Tata Consultancy Services, Tata Steel Europe and Toshiba.

The current donor companies have, together, given donations of £27 million since the start of the Foundation. The QEPrize funds are managed by the trustees of the Foundation.

The day-to-day administrative work of the charity is delegated by the trustees to the Associate Director, of the QEPrize, based at the Prince Philip House, 3 Carlton House Terrace, London SW1Y 5DG. The Chief Executive Officer and the Associate Director support the Trustees in delivering the objectives of the charitable company with an administrative team based at Prince Philip House.

2.3 OBJECTIVES AND ACTIVITIES FOR THE PUBLIC BENEFIT

2.3.1 Objectives

The objects of the Queen Elizabeth Prize for Engineering Foundation are, for the benefit of the public:

- to advance and promote engineering in the UK and around the world, including by promoting research in the field of engineering and the dissemination and application of the results of such research for the benefit of the public and by encouraging young people (and in particular young people in the United Kingdom) to aspire to a career in engineering; and
- to advance the education of the public in the subject of engineering by establishing, awarding and promoting a high-profile and internationally recognised prize for engineering known as 'The Queen Elizabeth Prize for Engineering' and to be awarded to an individual or group of individuals responsible for a ground-breaking advance in engineering which has created significant international public benefit.



In determining the objectives of the Foundation and in planning its activities, the trustees have given due consideration to the Charity Commission's guidance on public benefit.

The strategic objectives of the Foundation are to:

- A. establish the QEPrize as the pre-eminent global prize for engineering innovation.
- B. use the QEPrize to create a societal change in which engineering is widely recognised and valued.
- C. use the QEPrize to change perceptions of engineering so that it is an aspirational career for all young people.

To achieve these objectives the Foundation employs the following strategies:

- A. to grow the investment fund to a level which allows for the operation and awarding of the QEPrize to be financially sustainable.
- B. to raise the profile of the QEPrize specifically and, by extension, engineering generally, through increased media coverage of QEPrize activities.

Delivering Impact

The world needs more engineers, from all backgrounds, to address some of our greatest challenges. We believe one of the most effective ways we can increase the number and diversity of people within our profession is to raise the profiles of engineers and engineering globally, to help young people find role models they recognise, and to help world leaders discover innovations and innovators they can celebrate and work with and learn from.

The QEPrize does just this. We bring together global communities:

- of Experts, to identify the most influential engineering innovations and recognise them with an award of £500,000.
- of Ambassadors, to inspire young people with those innovations through engagement with young people online and in schools.
- of Donors, to ensure that we can continue to celebrate and advance engineering's impact for many years to come.

Already, the QEPrize has:

- given public recognition to 26 incredible innovators, helping people around the world understand the impact of engineering on their lives.



- enabled more than 250 ambassadors to spread the word about engineering's vital contribution to global challenges and raise their own profile as innovators and changemakers.
- helped more than 7,000 young people to experience engineering design through involvement in our Create the Trophy exhibition.

Delivering Impact - theory of change

From mission to impact – our theory of change





2.4 STRATEGIC REPORT

2.4.1 Achievements to 31 March 2024

6 February 2024 – Announcement of the 2024 Queen Elizabeth Prize for Engineering Laureates

In an event held at the Science Museum, in front of Her Royal Highness The Princess Royal and over 250 invited guests, Lord Browne announced that the 2024 Queen Elizabeth Prize for Engineering would be awarded to Denmark's Henrik Stiesdal and Britain's Andrew Garrad. Both Laureates were recognised for their achievements in advancing the design, manufacture and deployment of high-performance wind turbines – developments which have enabled wind energy to make a material contribution to global electricity generation and deliver transformational impact in diversifying the global energy mix.

Over the past four decades, Stiesdal and Garrad have made seminal engineering inputs that – from demonstration to full-scale implementation – have resulted in a phenomenal increase in the size of individual wind turbines and the scale of the wind farms in which they are sited, as well as in their engineering and economic performance. Credited for the early technology and critical advances as the industry has evolved, the 2024 Laureates have each pioneered a system that is present in almost all modern wind turbines operating both onshore and offshore in the market today.

Create The Trophy Competition

The announcement event also saw the winner of the latest Create the Trophy competition revealed. The competition, open to those aged between 14 and 24 around the world, seeks innovative trophy designs to be presented to the winners of the QEPrize. The winning design was created by Sunil Thakkar from India. The inspiration for his design came from wanting to produce a trophy that was simple and aesthetically pleasing.

The expert panel of judges, again led by Sir Ian Blatchford, Director and Chief Executive of the Science Museum Group, made two Highly Commended Awards, to Nandan Ambure and Samiha Nasher.

Nandan's trophy was inspired by the imagery of a plant, emblematic of the fruitful results and prosperity stemming from the innovative endeavours of engineers. Samiha's trophy was inspired by how far women in STEM have come and the challenges they've faced to get there. We were delighted that Samiha could join us on the evening of the Announcement to receive her certificate for her Highly Commended award.

12 October 2023 – Presentation of the 2022 and 2023 Queen Elizabeth Prize for Engineering

On 12 October 100 guests gathered at Buckingham Palace for the QEPrize Presentation Ceremony. Marking the tenth anniversary of the first presentation, His Majesty The King recognised the achievements of our 2022 and 2023 laureates.

Our 2022 laureate Dr Masato Sagawa received his trophy from The King in recognition of his lifelong work to develop, commercialise and refine the world's most powerful permanent magnet, which is



playing a crucial role in enabling cleaner, energy saving technologies such as wind turbines and electric vehicles.

The 2023 laureates – Martin Green, Andrew Blakers, Aihua Wang and Jianhua Zhao – received their trophies for their groundbreaking, and ongoing, work in radically improving the efficiency of solar cells, enabling more light energy to be converted into clean electricity.

The winner of the 2023 Create the Trophy competition – student Anja Brandl from Switzerland – was present to see her winning design presented to the 2023 laureates.

Also attending the Ceremony were existing QEPrize Laureates, including Sir Tim Berners-Lee, Louis Pouzin, Eric Fossum, Mike Tompsett and Russell Dupuis, HE Hajime Hayashi, Japanese Ambassador to the UK, Australia's Deputy Head of Mission to the UK, Elisabeth Bowes, and the UK Science Minister George Freeman MP.

12 October 2023 – Tenth Anniversary Gala Dinner

Later that day over 150 guests came together at the newly refurbished Old War Offices for our Tenth Anniversary Gala Dinner.

The guests welcomed our most recently honoured QEPrize Laureates, and heard Lord Browne, 2023 laureate Martin Green, QEPrize Ambassador and Google AI expert Dr Lara Suzuki, and QEPrize CEO Dr Hayaatun Sillem, talk not only about the value of engineering to society but also about the part that the QEPrize has played over the last ten years – and will continue to play – in raising the profile of engineering.

Public Engagement

23 June 2023 – Opening of Engineers

In partnership with the Science Museum, the Engineers gallery, dedicated to world-changing engineering innovations and the diverse and fascinating range of people behind them, opened on 23 June 2023.

Lord Browne and Sir Ian Blatchford, Director of the Science Museum Group, jointly welcomed over 400 guests to the official opening of a gallery which celebrates the engineering community and showcases a wide variety of key innovations through the global lens of the Queen Elizabeth Prize for Engineering with current and past Laureates featured throughout.

Forming the heart of the gallery are richly illustrated, characterful stories from 60 diverse engineers working in a broad range of industries, such as farming, fashion, robotics and medicine, shining a light on their lives, motivations, ways of thinking, and what they do day-to-day. By showcasing these engineers, the gallery highlights a breadth of promising new work which builds on the successes of previous QEPrize-winning innovations.



Research shows young people's knowledge of engineering is low, and what they do know is often influenced by stereotypes and misinformation (Educational Pathways into Engineering, Engineering UK 2020). By connecting audiences with people just like themselves who have created and pursued innovation, this new gallery provides a much-needed entry to a subject many feel disconnected from, and opens people's eyes to the possibilities it affords.

In the period to March 2024, the gallery received over 500,000 visitors, and was the most popular gallery at the Science Museum with our key target audience – KS3 and KS4 students. Over the coming years Engineers will play a key role in delivering the Foundation's objective to inspire the next generation.

Media Coverage Throughout the Cycle

The 2024 QEPrize announcement garnered significant media coverage across the UK, Northern Europe, and the US, with further coverage recorded in Asia and Australia. News of the Laureates' success returned over 100 pieces of organic coverage, including more than 15 interview features, with a total pick up of over 600 articles.

Extensive coverage was secured across BBC platforms. Andrew Garrad appearing on Radio 4's flagship Today programme, both Garrad and Stiesdal appeared in various pieces of Sky News coverage and Lord Browne spoke of the impact of the laureate's work in an Ian King Live interview.

Henrik Stiesdal being the first Scandinavian QEPrize Laureate was highlighted across over 80% of Danish print and online press, with interview features published in leading nationals Børsen, Finans, Fyens Stiftstidende and national press agency, Ritzau.

In total, coverage was secured in over 20 international markets spanning five continents.

The QEPrize Ambassador Network

The QEPrize Ambassador Network brings together the best and brightest early career engineers from all fields around the world, who work to inspire the next generation to follow in their footsteps.

The network empowers young engineers by developing a range of transferable skills that enrich their professional and personal lives. It gives them the opportunity to learn from business leaders and other network members, and it provides a platform for them to collaborate internationally.

QEPrize Ambassadors participated in a range of engagement activities throughout 2023 – 2024. To mark both the opening of the new Engineers gallery, and International Women in Engineering Day, 11 women QEPrize Ambassadors took part in a speed mentoring session held in Engineers with students from Space Studio West London girls' school. The event enabled students to hear from engineers about the exciting possibilities offered by careers in engineering.

Later in the year, four QEPrize Ambassadors participated in the Science Museum STEM Skills Fair, and eight QEPrize Ambassadors were filmed and appeared in the 2024 QEPrize Announcement



video, discussing how the innovations of our 2024 QEPrize Laureates have impacted their work and the future of wind power.

The QEPrize also partnered with the Royal Academy of Engineering to deliver an in-person STEM Outreach Workshop, attended by six QEPrize Ambassadors.

2.4.2 Financial Review

The total income for the year was £798,497 (2022/23 £793,088) of which £187,602 (2022/23 £150,000) was donations. The cost of raising funds was £188,501 (2022/23 £196,691). Expenditure on charitable activities was £2,399,225 (2022/23 £1,878,584), including £500,000 (2022/23 £500,000) awarded for the 2024 prize.

The carrying value of net assets at 31 March 2024 was £25,332,059 (2023 £24,812,054). The value of QEPrize investment portfolio increased by £836,522 (2023 £1,581,208 decrease) with net investment gain of £2,309,234 (additions £11,209,591 disposals £12,682,303) and withdrawals of £2,000,000. At 31 March 2024 investments were valued at £25,402,963 (2023 £24,566,441).

The overall investment objectives are to create both income and capital growth such that the real capital value of the portfolio is maintained over the long term, thus allowing the prize to be awarded in perpetuity. The portfolio is managed on a total return basis with a medium risk profile. The QEPrize ensures that portfolio performance is measured against a customised benchmark of UK and global indices and Bank of England base rate. The projected spend rate in delivering the prize is expected to be £2m per annum over the medium term. The investments are maintained with a long-term investment time horizon of over 10 years.

The QEPrize does not invest in organisations which conflict with the charity's purpose. The Trustees do not wish to invest in companies or funds that derive their income from the sale or manufacture of tobacco products. No initial investment will exceed 10% of the value of the fund. Bonds held will be "BBB" or better classification.

Going Concern Policy

No material uncertainties that may cast significant doubt about the ability of the charity to continue as a going concern have been identified by the Trustees, and therefore, these financial statements have been prepared on a going concern basis.

The Foundation's senior management team monitor the cash position on a monthly basis by looking at the cash flow forecast for the next twelve months, broken down by month. This forecast, combined with an assessment of the future reserves position, forms the basis of the assessment of going concern. It has been stress tested to reflect several possible scenarios, including using reverse stress testing. In doing so, we have particularly considered the impact of a global economic recession that negatively impacts on the Foundation's ability to raise further significant funds.



Based on these forecasts, the Trustees believe that the going concern basis of accounting remains appropriate for our accounts.

Over the 2023/24 financial year, the Foundation's managed investment funds have been maintained at a level that is sufficient to support the awarding of the Queen Elizabeth Prize for Engineering for many more cycles.

2.4.3 Plans for Future Years

The objectives for the next QEPrize cycle are as follows:

- To **celebrate the 2025 Queen Elizabeth Prize for Engineering** with a programme of events designed to engage not only existing stakeholders but also a wider audience.
- To ensure the **Engineers gallery at London's Science Museum** provides a home for a range of targeted engagement activities, highlighting the power of engineering.
- To mark the announcement of the winner(s) of the 2025 Queen Elizabeth Prize for Engineering.
- To continue to **raise the profile of the QEPrize** successfully throughout the world and to firmly establish the prize as the most significant global award for engineers and engineering.
- To continue to use the QEPrize to **raise the public profile of engineering** in the UK and to inspire a generation of young people to consider engineering as a career.

The QEPrize team will work on external events, promoting both the QEPrize and engineering in general at home and internationally.

The development of the QEPrize's digital platforms and podcast programme will continue, recognising their strategic importance in spreading the Foundation's messages amongst a global audience.

Appendices:

Appendix I: QEPrize Judges 2023/24

Appendix II: QEPrize Search Group 2023/24

2.4.4 Reserves

Total QEPrize funds at 31 March 2024 increased by £0.5m to £25.3m due to a net investment gain of £2.3m and a £1.8m net deficit from operating activities. QEPrize investments are held in a managed investment fund to provide long-term real growth, cash and liquidity.

The Trustees have determined that the QEPrize should maintain a level of free reserves between £20-40m. The QEPrize holds free reserves so that it can fund the QEPrize in perpetuity.

Free reserves as at 31 March 2024 were £25.3m, so the QEPrize is operating within the reserves policy set. Of this, £25.4m was held as investments. The difference between free reserves and



investments was £0.1m, being the net of cash, short term deposits and current liabilities. Cash at bank and short-term deposits totaled £0.8m. The trustees have established that free reserves should not fall below £4m which is the level sufficient for two prize cycles.

2.4.5 Principal Risks and Uncertainties

The three principal risks to the charity, along with the main mitigations and contingencies, are listed below.

- **The QEPrize fund is not sufficient to sustain the prize in perpetuity.** The trustees have established an investment strategy to maximise returns from the donations, and a business plan to secure additional donations. At the current trajectory the investment fund provides for the continuation of the prize over many more prize cycles.
- **The QEPrize has a low or poor profile with the global engineering community, compromising the credibility of the QEPrize and then therefore its effectiveness as a communications tool.** The global engineering community have been actively engaged in the QEPrize from the beginning in judging and in the global search for nominations. The global networks of the QEPrize, its Trustees, stakeholders and governments are informed, engaged and supportive of the prize. International media interest in the prize has been cultivated to ensure that its profile has grown significantly enabling it to reach a widespread global audience and establish itself as the world's most prestigious prize in engineering.
- **Public awareness of the QEPrize in the UK is low or poor, compromising its effectiveness as a communications tool.** A global PR agency – Edelman – works closely with the QEPrize team to advise and direct activities to ensure maximum PR benefit is secured from the prize process wherever possible. The media reach and communications impact of the QEPrize are tracked and monitored by audience.

Risk Management

The trustees maintain a register of all major risks to which the charitable company is exposed and a list of the systems and procedures in place to manage or mitigate those risks. These are recorded in the form of a risk register. The executive team meets quarterly with trustees to review activity, agree priorities and manage risks. The trustees confirm that the major risk to which the charitable company is exposed is not being self-sustainable for future charitable activities. A shared internal audit function has reviewed various issues including fundraising activity.

Charity Governance Code

The Board of Trustees adopted in full the Charity Governance Code for smaller charities in January 2020.

2.4.6 Remuneration Policy

The QEPrize policy is to pay staff salaries at the market mid-point. Salaries are reviewed in alternate years following a market benchmarking exercise conducted by independent consultancy. The next review will be effective from November 2024.



In setting appropriate levels of senior management pay, the QEPrize considered the skills, experience and competencies required for each role, and the remuneration level for those roles in sectors where suitable candidates would be found.

2.4.7 Auditor

BDO LLP was reappointed auditor during the year.

Disclosure of Information to Auditor

In the case of each of the persons who are Trustees of the charitable company at the date when this report was approved:

- so far as each of the Trustees is aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- each of the Trustees has taken all the steps that he/she ought to have taken as a Trustee to make himself/herself aware of any relevant audit information (as defined) and to establish that the charity's auditor is aware of that information.

Approved by the Trustees on the 9th of August 2024 and signed on their behalf by:

.....
Chair, Lord Vallance of Balham

.....
Sir Jim McDonald



3. STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for preparing the Annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period.

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

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

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

Financial statements are published on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the charity's website is the responsibility of the trustees. The trustees' responsibility also extends to the ongoing integrity of the financial statements contained therein.



4. INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE QUEEN ELIZABETH PRIZE FOR ENGINEERING FOUNDATION

Opinion on the financial statements

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 2024 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.

We have audited the financial statements of The Queen Elizabeth Prize for Engineering Foundation ("the Charitable Company") for the year ended 31 March 2024 which comprise the statement of financial activities (incorporating an income and expenditure account), the balance sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remain independent of the Charitable Company in accordance with the ethical requirements 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.

Conclusions related to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Charitable



Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Trustees Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is 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.

Other Companies Act 2006 reporting

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

- the information given in the Trustees' Report, which includes the Directors' Report and the Strategic report prepared for the purposes of Company Law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' Report, which are included in the Trustees' Report, have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Charitable Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion;

- adequate accounting records have not been kept , or returns adequate for our audit have not been received from branches not visited by us; or



- the Charitable Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report.

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Charitable Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Charitable Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under the Companies Act 2006 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.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:



Non-compliance with laws and regulations

Based on:

- Our understanding of the Charitable Company and the sector in which it operates;
- Discussion with management, those charged with governance and the Audit and Risk Committee; and
- Obtaining and understanding of the Charitable Company's policies and procedures regarding compliance with laws and regulations,

we considered the significant laws and regulations to be relevant Charities Acts and applicable accounting framework.

The Charitable Company is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be relevant tax legislation, employment law, data protection and fundraising regulations. We also considered the risks of non-compliance with other requirements imposed by the Charity Commission and we considered the extent to which non-compliance might have a material effect on the Charitable Company's financial statements.

Our procedures in respect of the above included:

- Review of minutes of meeting of the Trustee Board, the Audit and Risk Committee and the Finance Committee for any instances of non-compliance with laws and regulations;
- Review of any correspondence with regulatory and tax authorities for any instances of non-compliance with laws and regulations; and
- Review of financial statement disclosures and agreeing to supporting documentation.

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud.

Our risk assessment procedures included:

- Enquiry with management and the Audit and Risk Committee regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Charitable Company's policies and procedures relating to:
 - Detecting and responding to the risks of fraud; and
 - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meeting of the Trustee Board, Audit and Risk Committee and Finance Committee for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements; and
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.



Based on our risk assessment, we considered the area most susceptible to fraud to be management override of controls.

Our procedures in respect of the above included testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ("FRC's") website at:

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Charitable Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Charitable Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charitable Company and the Charitable Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

Fiona Condrón

BC8C15A11E97446
Fiona Condrón (Senior Statutory Auditor)

For and on behalf of BDO LLP, statutory auditor
London, UK

Date: 20 August 2024

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).



**5. STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING INCOME AND EXPENDITURE ACCOUNT)**

		1 April 23 To 31 March 2024	1 April 22 To 31 March 2023
	Notes		£
Income from			
Donations	3	187,602	150,000
Investments	4	610,895	643,088
Total		798,497	793,088
Expenditure on			
Raising Funds	5	188,501	196,691
Charitable Activities	6	2,399,225	1,879,584
Total		2,587,726	2,076,275
Net Deficit From Operating Activities		(1,789,229)	(1,283,187)
Net Investment Gains/(Losses)			
Realised (Losses) on Investments	12	(137,946)	(53,420)
Unrealised Gains/(Losses) on Investments	12	2,447,180	(1,312,264)
Realised and Unrealised Gains/(Losses) on investments		2,309,234	(1,365,684)
Net Gains/(Losses) and net movement in funds for the year	8	520,005	(2,648,871)
Reconciliation of funds			
Total Funds Brought Forward		24,812,054	27,460,925
Total Funds Carried Forward	8	25,332,059	24,812,054

The notes on pages 25 to 30 form part of these financial statements.

The above funds are unrestricted. There were no other recognised gains and losses other than those stated above. All the above income and expenditure is derived from continuing activities.



6. BALANCE SHEET AT 31 MARCH 2024

Company number: 8077332

	<u>Notes</u>	At 31 March 2024	At 31 March 2023
		£	£
INVESTMENTS	12	25,402,963	24,566,441
CURRENT ASSETS			
Debtors	13	22,041	43,213
Short term deposits		183,862	184,805
Cash at bank		576,504	687,286
Total current assets		782,407	915,304
CURRENT LIABILITIES			
Creditors	14	853,311	669,691
NET CURRENT (LIABILITIES)/ASSETS		(70,904)	245,613
TOTAL NET ASSETS		25,332,059	24,812,054
The funds of the Foundation:			
Unrestricted funds	8	25,332,059	24,812,054
Total Charity Funds		25,332,059	24,812,054

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

The notes on pages 25 to 30 form part of these financial statements.

Approved by the Trustees and authorised for issue on the 9th of August 2024 and signed on their behalf by:

Chair, Lord Vallance of Balham

Sir Jim McDonald



7. NOTES TO THE ACCOUNTS

1 ACCOUNTING POLICIES

Basis of Accounting

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

The preparation of the financial statements in compliance with FRS102 Section 1A Small Entities requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the accounting policies. The following principal accounting policies have been applied:

Exemptions for qualifying entities under FRS 102

As a consolidated cash flow statement is prepared by the company's parent, the company has taken advantage of the exemption provided by FRS102 not to report a separate statement of cash flows.

Going Concern

The Queen Elizabeth Prize for Engineering Foundation derives its income from donations and investment income. Over the 2023/24 financial year, the Foundation's managed investment funds have been maintained at a sufficient level to support the awarding of the Queen Elizabeth Prize for Engineering for many more cycles. Therefore, the Trustees believe that the Foundation will continue as a going concern for the foreseeable future and continues to adopt the going concern basis in preparing the financial statements.

Income

- Income received by way of donations is included in full in the statement of financial activities when receivable.
- Dividend income and interest receivable are included in the statement of financial activities on an accrual basis.
- Donated services are recognised when the benefit to the charitable company is reasonably quantifiable. The value placed on these resources is the estimated value to the charitable company of the service received.

Expenditure

Expenditure is recognised on an accrual basis. The cost of the QEPrize is recognised in the financial year in which it is awarded. Irrecoverable VAT is charged against the category of expenditure for which it is incurred.

Support Costs

Support costs are those functions that assist the work of the charity and mainly comprise staff



costs and overheads. These costs have been allocated between the costs of raising funds and expenditures on charitable activities.

Investments

The portfolio is stated at bid-market value at the balance sheet date. Any unrealised and realised gain or loss on revaluation is taken to the Statement of Financial Activities.

Financial Instruments

The Foundation only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Cash at Bank

Cash not required for working capital purposes is transferred to the investment portfolio.

Estimates and Judgements

In preparing these financial statements, it has not been necessary for the Trustees to make any significant judgements or estimates.

2 SERVICE CHARGE

The Royal Academy of Engineering levied a service charge of £299,398 (2022/23 £282,450) on The Queen Elizabeth Prize for Engineering Foundation for the year ended 31 March 2024 in respect of the administration costs incurred on behalf of the Foundation.

3 VOLUNTARY INCOME

	Year ended 31 March 2024	Year ended 31 March 2023
	£	£
Donations received	187,602	150,000
	<u>187,602</u>	<u>150,000</u>

4 INVESTMENT INCOME

	Year ended 31 March 2024	Year ended 31 March 2023
	£	£
Investment income receivable	607,159	639,321
Interest receivable	3,736	3,767
	<u>610,895</u>	<u>643,088</u>



5 RAISING FUNDS

	Year ended 31 March 2024	Year ended 31 March 2023
	£	£
Support costs	85,539	93,248
Investment management costs	102,962	103,443
	<u>188,501</u>	<u>196,691</u>

Included in support costs are £34,193 (2022/23 £28,063) of staff costs.

6 CHARITABLE ACTIVITIES

	Year ended 31 March 2024	Year ended 31 March 2023
	£	£
Prize	500,000	500,000
Prize trophy	39,934	51,503
Award ceremony & events	666,427	573,384
Judging expenses	125,999	100,097
Publicity and communication	496,347	127,394
Support costs	528,465	495,302
Website costs	3,855	1,334
Other	19,815	21,807
Governance costs	18,383	8,763
	<u>2,399,225</u>	<u>1,879,584</u>

Included in support costs are £250,285 (2022/23 £205,706) of staff costs. Support costs are those functions that assist the work of the charity and mainly comprise staff costs and overheads. These costs have been allocated between costs of raising funds and expenditure on charitable activities based on staff time.



7 STAFF COSTS

	Year ended 31 March 2024	Year ended 31 March 2023
	£	£
Wages and salaries	202,961	166,710
Social securities	23,316	19,417
Pension costs	23,968	19,579
Other	40	-
	<u>250,285</u>	<u>205,706</u>

The emoluments of higher paid staff within the following scales were:

	Number	Number
£70,001-£80,000	-	1
£80,001-£90,000	1	-

The Royal Academy of Engineering employed six (2022/23 seven) staff members who were seconded to the QEPrize Foundation in the year. One of the employees resigned during the year.

The senior management team consists of the Associate Director, who manages the day-to-day operations of the charity. Their aggregate remuneration in the year was £86,048 (2022/23 £76,009). There were no resignations and no appointments among the senior management team during the year.

8 FOUNDATION FUNDS UNRESTRICTED

	2024 £ 1 April 2023 To 31 March 2024	2023 £ 1 April 2022 To 31 March 2023
Surplus/(Deficit) for year to 31 March 2024	520,005	(2,648,871)
General Fund at 1 April 2023	<u>24,812,054</u>	<u>27,460,925</u>
Total	<u>25,332,059</u>	<u>24,812,054</u>

9 TRUSTEES' EXPENSES AND REMUNERATION

No trustee received any reimbursement of expenses (2022/23 – nil). No trustee received any remuneration (2022/23 – nil).

10 CORPORATION TAXATION

The Foundation 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 objectives.



11 NET (EXPENDITURE)/INCOME FOR THE YEAR

	2024	2023
	£	£
	1 April 2023	1 April 2022
	To 31 March 2024	To 31 March 2023
Net (expenditure)/income for the year is stated after charging audit fee for the year	14,280	4,410

12 INVESTMENTS

	2024	2023
	General Fund	General Fund
	£	£
Market Value at 1 April	24,566,441	26,147,649
Add Acquisitions at cost	11,209,591	4,764,032
Less Disposals at Book Value	(12,682,303)	(4,979,556)
Net Realised Loss on Revaluation at 31 March	(137,946)	(53,420)
Net Unrealised Gain/(Loss) on Revaluation at 31 March	2,447,180	(1,312,264)
	25,402,963	24,566,441

Investments consist of securities listed on global stock markets (75% of portfolio) and fixed interest bonds/diversified assets (25% of portfolio).

13 DEBTORS

	2024	2023
	£	£
Accrued Income	19,306	41,150
Other Debtors	2,735	2,063
	22,041	43,213

14 CREDITORS

	2024	2023
	£	£
Creditors	8,805	1,538
Amounts due to parent company	102,880	107,354
Accruals	741,626	560,799
	853,311	669,691



15 ULTIMATE CONTROLLING ENTITY

As its sole member, the trustees of the Queen Elizabeth Prize for Engineering Foundation consider The Royal Academy of Engineering to be the ultimate controlling entity. The Academy is a registered charity No. 293074. The registered office is 3 Carlton House Terrace, St. James's, London, SW1Y 5DG, UK.

The Royal Academy of Engineering brings together the most successful and talented engineers from across the profession and its fellows for a shared purpose: to advance and promote excellence in engineering for the benefit of society.

The QEPrize accounts have been consolidated within Academy's accounts and can be obtained from Academy's website (<http://www.raeng.org.uk/publications/strategy-and-finance>).

16 RELATED PARTY TRANSACTIONS

The QEPrize has the following transactions with the controlling party, The Royal Academy of Engineering:

	Year ended 31 March 2024	Year ended 31 March 2023
	£	£
Salary recharges	284,941	233,861
Management Fee	299,398	248,556



Appendix I: QEPrize Panel Judges, 2023/24

Name	Job title	Country
Professor Dame Lynn Gladden DBE	Chair of Judges Shell Professor of Chemical Engineering, University of Cambridge	UK
Dr John L Anderson	President, National Academy of Engineering	USA
Professor Carlos Henrique de Brito Cruz	Senior Vice President, Research Networks, Elsevier	Brazil
Dr Josephine Cheng	Former Vice President, IBM Research	USA
Dr Abdigani Diriye	Co-Founder & CPO, Bloom Technologies	Somalia
Professor Orla Feely	President, University College Dublin	Ireland
Dr Alan Finkel	Former Chief Scientist of Australia	Australia
Professor Nick Jennings CBE	Vice Chancellor, Loughborough University	UK
Professor Teck Seng Low	Former CEO, National Research Foundation (NRF)	Singapore
Ilya Marotta	Deputy Administrator, Panama Canal Authority	Panama
Dr Raghunath Mashelkar	National Research Professor, Chairman of the National Innovation Foundation and President of Global Research Alliance	India
Professor Tatsuya Okubo	Executive Vice President & Professor of Chemical System Engineering, University of Tokyo	Japan
Professor Tuula Teeri	President, Royal Swedish Academy of Engineering Sciences	Sweden
Professor Dr Dr hc Viola Vogel	Head of Laboratory of Applied Mechanobiology, ETH Zurich	Switzerland



Appendix II: QEPrize Search Group

Name	Job Title	Country
Professor Guy Houlby	Chair of Search Group Professor of Civil Engineering, University of Oxford	UK
David Adkins	Digital Transformation Manager, National Grid	UK
Aimi Elias	Machine Learning Engineer, Sky	UK
Professor Neil Alford	Associate Provost (Academic Planning), Imperial College	UK
Sotira Georgiou	Senior Engineer, Ramboll	UK
Dr Paolo Gomes	Data Science & Analytics Manager, BA Glass	Portugal
Professor Peter Guthrie OBE	Director of Research in Sustainable Development, University of Cambridge	UK
Professor Joe McGeehan CBE	Emeritus Professor of Communications Engineering, University of Bristol	UK
Titi Oliyde	Senior Safety Engineer, Supercritical Solutions	UK
Professor Ric Parker CBE	Former Director of Research and Technology, Rolls-Royce	UK
Professor Richard Penty	Professor of Photonics, University of Cambridge; Master, Sidney Sussex College	UK
Professor Eleanor Stride OBE	Statutory Professor of Biomaterials, University of Oxford	UK
Dr Larissa Suzuki	Technical Director, Google	UK

THE QUEEN ELIZABETH PRIZE FOR ENGINEERING FOUNDATION

England & Wales - Charity number 1147743

Accounts



THE QUEEN ELIZABETH PRIZE FOR ENGINEERING FOUNDATION

REPORT AND ACCOUNTS

1 April 2022 TO 31 March 2023

Charity Number: 1147743

Company Number: 8077332



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1. INTRODUCTION

The Queen Elizabeth Prize for Engineering (QEPrize) is dedicated to championing bold, ground breaking innovation in engineering that helps humanity survive and thrive. By celebrating engineering visionaries and inspiring creative minds, we are working to secure the future of engineering for a better world.

Promoting excellence in engineering, the annual prize of £500,000 salutes engineering's leading figures - individuals or those working together as a team - with the added purpose of inspiring and exciting young people to consider engineering as a discipline and career choice whilst additionally encouraging existing practitioners to help push the boundaries of engineering.

Our planet and humanity face increasingly significant and complex challenges. Diverse, multifaceted, and continually evolving, engineering helps discover solutions to those challenges - making the world we live in a better, more equitable, sustainable place.

Adding value to billions of lives, engineering has a living impact; medicines delivered to the body with precision by nano-scale devices, the world's biggest and greenest buildings, the pinpoint accuracy of surgical robots, development of the world wide web, GPS satellite tracking.

To date, the Queen Elizabeth Prize for Engineering has recognised the following Laurates:

- in 2013: Robert Kahn, Vinton Cerf, Louis Pouzin, Marc Andreessen and Sir Tim Berners-Lee for the internet and worldwide web;
- in 2015: Dr Robert Langer for controlled release large molecule drug delivery;
- in 2017: Eric Fossum, George Smith, Nobukazu Teranishi and Michael Tompsett for digital imaging sensors;
- in 2019: Dr Bradford Parkinson, Professor James Spilker Jr, Hugo Fruehauf and Richard Schwartz for the global positioning system;
- in 2021: Professor Isamu Akasaki, Professor Shuji Nakamura, Professor Nick Holonyak Jr, Dr M. George Craford and Professor Russell Dupuis for the creation and development of LED lighting.
- in 2022: Dr Masato Sagawa, for his work on the discovery, development and global commercialisation of the sintered Neodymium Iron Boron permanent magnet.

Our latest Laureates are Professor Martin Green, Professor Andrew Blakers, Dr Aihua Wang and Dr Jianhua Zhao, recognised for the invention and development of Passivated Emitter and Rear Cell (PERC) solar photovoltaic technology, which has underpinned recent exponential growth in high-

performance, low-cost solar electricity.

FOREWARD – LORD BROWNE OF MADINGLEY

Chairman, Queen Elizabeth Prize for Engineering Foundation

This year marks the tenth anniversary of the first QEPrize, which is awarded to the five pioneers of the internet and the world wide web in 2013. Since then the prize has highlighted the essential role engineering plays in connecting societies, enabling international commerce and strengthening global communities.

In 2015 we recognised the impact of controlled release large molecule drug delivery. More recent winners of the QEPrize include the engineers who led the development of digital imaging sensors, the development of GPS, the creation of light-emitting diodes and the production of the world's strongest magnets.

This year we recognised four extraordinary engineers whose work has been dedicated to the development of Passivated Emitter and Rear Cell (PERC) solar photovoltaic technology that has underpinned the recent growth of high-performance, low-cost solar electricity to harness the power of the sun.

There can be few better examples of engineering's power to better the human condition.

I am delighted that this year we have committed to opening a new permanent gallery at London's Science Museum. It is called, not surprisingly, '*Engineers*' and is dedicated to world-changing engineering innovations and the extraordinary people behind them.

The gallery will celebrate the global impact of engineering with current and future QEPrize Laureates featured throughout. It will inform, excite, and inspire audiences – exactly what the QEPrize exists to achieve.

2. REPORT OF THE TRUSTEES

2.1 REFERENCE AND ADMINISTRATIVE DETAILS FOR THE CHARITY, ITS TRUSTEES AND ADVISORS

The Queen Elizabeth Prize for Engineering Foundation ('QEPrize Foundation') is a charitable company, registered as a charity with the Charity Commission with charity number: 1147743 and registered as a company with Companies House as company number 8077332.

The principal office of the QEPrize Foundation is 3 Carlton House Terrace, London SW1Y 5DG.

Chair of Trustees: Lord Browne of Madingley

Trustees: Mala Gaonkar, Professor John Hennessy, Angela Hunter, Professor Sir Jim McDonald, Sir Paul Nurse

The professional advisers to the QEPrize Foundation are as follows:

Legal advisers: Macfarlanes LLP of 20 Cursitor Street, London EC4A 1LT

Bankers: National Westminster Bank Plc, Registered office: 250 Bishopsgate, London, EC2M 4AA

Auditor: BDO LLP, 55 Baker Street, London W1U 7EU

Investment Advisers: Investec Wealth & Investment Limited, 2 Gresham Street, London EC2V 7QN

Dr Hayaatun Sillem, Chief Executive Officer, and Jonathan Narbett, Associate Director, of the Queen Elizabeth Prize for Engineering Foundation, Prince Philip House, 3 Carlton House Terrace, London SW1Y 5DG have been given authority to carry out day-to-day administrative functions on behalf of the Charity.

2.2. STRUCTURE, GOVERNANCE AND MANAGEMENT

The Queen Elizabeth Prize for Engineering Foundation is governed by the Articles of Association for a private company limited by guarantee. These were agreed by trustees on 21 May 2012 and amended by trustees on 4 March 2013. The sole member of the charitable company is the Royal Academy of Engineering.

The board of trustees of the charitable company consists of at least two (and no more than six) nominated trustees, who are appointed by ordinary resolution or by a decision of the trustees and one Ex-Officio trustee who is holder of the office of the President of the Royal Academy of Engineering. All material decisions in relation to the Foundation are taken by the trustees.

Funding, in the form of donations, for the Foundation has been received from the following engineering companies: BAE Systems plc, BG Group, BP plc, GlaxoSmithKline, Hitachi, Ltd., Jaguar Land Rover, National Grid, Nissan Motor Company, Shell UK Ltd, Siemens UK, Sony Corporation, Tata Consultancy Services, Tata Steel Europe and Toshiba.

The current donor companies have, together, given donations of £27 million. The QEPrize funds are managed by the trustees of the Foundation.

The day-to-day administrative work of the charity is delegated by the trustees to the Associate Director of the QEPrize, based at the Prince Philip House, 3 Carlton House Terrace, London SW1Y 5DG. The Chief Executive Officer and the Associate Director support the Trustees in delivering the objectives of the charitable company with an administrative team based at Prince Philip House.

2.3 OBJECTIVES AND ACTIVITIES FOR THE PUBLIC BENEFIT

2.3.1 Objectives

The objects of the Queen Elizabeth Prize for Engineering Foundation are, for the benefit of the public:

- to advance and promote engineering in the UK and around the world, including by promoting research in the field of engineering and the dissemination and application of the results of such research for the benefit of the public and by encouraging young people (and in particular young people in the United Kingdom) to aspire to a career in engineering; and
- to advance the education of the public in the subject of engineering by establishing, awarding and promoting a high-profile and internationally-recognised prize for engineering known as 'The Queen Elizabeth Prize for Engineering' and to be awarded to an individual or group of individuals responsible for a ground-breaking advance in engineering which has created significant international public benefit.

In determining the objectives of the Foundation and in planning its activities, the trustees have given due consideration to the Charity Commission's guidance on public benefit.

The objectives of the Foundation are to:

- A. establish the QEPrize as the pre-eminent global prize for engineering innovation.
- B. use the QEPrize to create a societal change in which engineering is widely recognised and valued.
- C. use the QEPrize to change perceptions of engineering so that it is an aspirational career for all young people.

To achieve these objectives the Foundation employs the following strategies:

- A. to grow the investment fund to a level which allows for the operation and awarding of the QEPrize to be sustained in perpetuity.
- B. to raise the profile of the QEPrize specifically and, by extension, engineering generally, through increased media coverage of QEPrize activities.

Delivering Impact

The world needs more engineers, from all backgrounds, to address some of our greatest challenges. We believe one of the most effective ways we can increase the number and diversity of people within our profession is to raise the profiles of engineers and engineering globally, to help young people find role models they recognise, and to help world leaders discover innovations and innovators they can celebrate and work with and learn from.

The QEPrize does just this. We bring together global communities:

- Of experts, to identify the most influential engineering innovations and recognise them with an award of £500,000.
- Of Ambassadors, to inspire young people with those innovations through engagement with young people online and in schools.
- Of Donors, to ensure that we can continue to celebrate and advance engineering's impact for many years to come.

Already, the QEPrize has:

- Given public recognition to 24 incredible innovators, helping people around the world understand the impact of engineering on their lives.
- Enabled more than 250 ambassadors to spread the word about engineering's vital contribution to global challenges and raise their own profile as innovators and changemakers.
- Helped more than 6,000 young people to experience engineering design through involvement in our Create the Trophy exhibition.



Delivering Impact - theory of change

From mission to impact – our theory of change



1.4 STRATEGIC REPORT

1.4.1 *Objectives & Achievements to 31 March 2023*

The Announcement of the Winners of the 2023 Queen Elizabeth Prize for Engineering

On 7 February 2023, Lord Browne of Madingley announced that the 2023 Queen Elizabeth Prize for Engineering would be awarded to Martin Green, Andrew Blakers, Aihua Wang and Jianhua Zhao for the invention and development of Passivated Emitter and Rear Cell (PERC) solar photovoltaic technology, which has underpinned recent exponential growth in high performance, low-cost solar electricity.

120 guests from across the engineering sector gathered at Prince Philip House in London to hear the first in-person announcement since 2019. The evening was hosted by Yewande Akinola, engineer and broadcaster, and attendees were welcomed The Royal Fellow of The Royal Academy of Engineering, The Princess Royal.

Over the last 40 years the work of the 2023 laureates has transformed photovoltaic technology and dramatically reduced costs, with solar now the cheapest source of electricity in most countries.

The photovoltaic effect was first reported by Edmond Becquerel in 1839 and was able to be explained theoretically by Einstein's 1905 work on the photoelectric effect. The first practical solar photovoltaic cells were developed at Bell Telephone Laboratories in 1954 and became the standard energy source for spacecraft. Commercial production for terrestrial use began in the 1970s, with the efficiency of commercial solar cells reaching 14% by the early 1980s.

The key contribution of this year's Laureates lies in greatly boosting the energy conversion efficiency. It was believed that 20% efficiency was the practical limit for a single-layer silicon solar cell until papers by Green, Blakers, Wang and Zhao and others theoretically determined the maximum achievable efficiency lay close to 30%, with Green suggesting a higher practical limit of 25%.

Green's lab at the University of New South Wales held the global record for efficiency for 30 of the 40 years from 1983 to 2023, with Wang and Zhao leading the work which eventually reached Green's 25% efficiency target.

The awardees opted to publish rather than patent, since commercial uptake seemed remote, freeing PERC technology to be widely adopted. It took two decades of development before PERC technology entered the mainstream. PERC technology is now the most commercially viable silicon solar cell technology for use in solar panels, recently accounting for almost 90% of the global solar cell market.

The shift to zero-emissions electricity to replace fossil fuels is capable of eliminating approximately three-quarters of current-day global emissions. Harnessing the power of the sun through the use of silicon photovoltaic cells is rapidly increasing, mostly using PERC cells. Solar is providing about half of the new-build electricity generation capacity worldwide.

Not only is solar being introduced into major national electricity grids, but because of its low cost and easy installation, it is also appearing in microgrids for towns and in farms and dwellings across global low- and middle-income countries.

Martin Green is well known for having trained many of the students who became successful solar panel entrepreneurs and technical leads in solar panel companies that have transformed manufacturing costs. He is currently working on trying to further improve solar cell efficiency by stacking cells that respond to different parts of the solar spectrum.

Andrew Blakers is working on pathways to 100% renewable energy futures, including identification of vast energy storage potential to support variable solar and wind generation through a global atlas of 600,000 sites for off-the-shelf gigawatt-scale pumped hydro storage.

Dr Jianhua Zhao and Dr Aihua Wang hold the record for the world's most efficient silicon solar cells. Moving to Australia in the 1980s, they spent nearly 15 years working and teaching at the UNSW before returning to China in 2004, where they continued their incredibly successful partnership at China Sunergy.

They both maintain a strong relationship with Australia where they now live, and continue engaging with research and development at UNSW. They have published over 117 conference papers and 66 journal papers, including in *Nature*, top of the world's most respected science publications.

Media Coverage Throughout the Cycle

The 2023 QEPrize Winner Announcement was again successful in gaining coverage across a range of top tier target media. News of the laureates' success was covered across BBC platforms and featured interviews with all four winners and with Lord Browne, with a highlight interview of Professor Martin Green' on Radio 4's flagship *Today* programme.

In-depth interviews were also featured in the *Financial Times* and on *CNBC*, with a focus on the importance played by solar power in enabling the transition from fossil fuels in the fight against man-made climate change, and the part played by the QEPrize in raising the profile of global engineering.

The announcement also generated wide global interest, gaining coverage in 30 countries across five continents, with a particular presence in the laureates' home territory of Australia.

Create the Trophy Competition

The announcement event also saw the winner of the latest Create the Trophy competition revealed. The competition, open to those aged between 14 and 24 around the world, seeks innovative trophy designs to be presented to the winners of the QEPrize. The winning design was created by Anja Brandl from Switzerland and was inspired by integrated circuits – highly complex devices consisting of billions of small, interconnected transistors. They can be found everywhere in our phones, computers and medical devices and are responsible for modern communication such as the internet.

Anja said "in my design, I tried to capture the beauty of an integrated circuit in an abstract manner". She wanted her design to consist of simple structures that combine together to result in a complex system. The inner cube represents the core of the circuit - basically the 'brain' of the system with the lines radiating out, connecting it to the outside world and allowing interactions with the environment.

The expert panel of judges, again led by Sir Ian Blatchford, Director, and Chief Executive of the Science Museum Group, made a Highly Commended Award to Elisa Ferrari from Italy. Elisa's design was inspired by the symmetry found in chemistry, where many different atoms can be combined into many complex and regular molecules.

Sir Ian was joined on the judging panel by structural engineer and author Roma Agrawal, designer Rebeca Ramos and Dr Zoe Laughlin, Co-founder, and Director of the Institute of Making.

Announcement of New Gallery at London's Science Museum

In January 2023, the QEPrize announced the beginning of an ambitious five-year partnership with London's world-famous Science Museum, which would see the opening of a new *Engineers* gallery dedicated to world-changing engineering innovations and the diverse and fascinating range of people behind them in June 2023.

The gallery will celebrate engineering heritage and showcase a range of world-changing innovations through the global lens of the Queen Elizabeth Prize for Engineering with current and past prize winners featured throughout.

At the heart of the gallery will be richly illustrated, characterful stories from more than 60 engineers working in a broad range of industries, such as farming, fashion, robotics and medicine, shining a light on their lives, motivations, thought processes, and what they do day to day. These stories sit within four distinct sections, highlighting a breadth of promising new work which builds on the successes of previous QEPrize winners.

Bodies will look at how controlled drug delivery and surgical robots place people and their bodies at the heart of precision engineering practice. In Lives, LED lighting and digital imaging sensors illustrate how engineers work sustainably, building enduring businesses, with a minimised ecological footprint. In Connections, GPS, internet and web technologies represent engineering as a connected practice, with diverse teams creating new global information and communication systems. The final section Creating looks at how engineers create products, from software to suspension bridges. Their creative ways of thinking are central to developing amazing innovations which can change the world.

Research shows young people's knowledge of engineering is low, and what they do know is often influenced by stereotypes and misinformation (Educational Pathways into Engineering, Engineering UK 2020). By connecting audiences with people just like themselves who have created and pursued innovation, the gallery will provide a much-needed 'way in' to a subject many feel disconnected from, and open people's eyes to the possibilities it affords.

Visitors will have the opportunity to take a closer look at iconic objects from the cutting-edge CMR 'Versius' surgical robot arm to the first digital camera, and a miniature atomic clock which the entire GPS system depended upon, as well as learn more about the remarkable people who invented them.

The QEPrize Ambassador Network

The QEPrize Ambassador Network brings together the best and brightest early career engineers from all fields around the world, who work to inspire the next generation to follow in their footsteps.

The network empowers young engineers by developing a range of transferable skills that enrich their professional and personal lives. It gives them the opportunity to learn from business leaders and other network members, and it provides a platform for them to collaborate internationally.

During the 2023 QEPrize cycle, the following members of the Network served on the Search & Nominations Committee, assessing submitted nominations prior to judging:

David Adkins, National Grid

Aimi Elias, Sky

Sotira Georgiou, Ramboll

Dr Paulo Gomes, bp

Titi Oliyide, Transport for London

Dr Larissa Suzuki, Google

Network members participated in a range of engagement activities throughout the year, including media work as part of the *Engineer The Story* campaign, parliamentary events in support of National Engineering Day and a number of presentations to schools, helping to demystify engineering.

The QEPrize partnered with The Royal Academy of Engineering to deliver in-person training to Network members, focusing on STEM engagement with a variety of target audiences.

Create the Future Podcast

Season Four of the Create the Future podcast featured two new hosts – structural engineer, author and broadcaster Roma Agrawal and George Imafidon, an award-winning humanitarian engineer and Performance Engineer with Team X44, Sir Lewis Hamilton's electric race team.

Building on the success of the first three seasons, the new format has looked at a diverse range of engineering issues, including the link between engineering and baking featuring The Great British Bake Off's Andrew Smyth, a focus on medical engineering with QEPrize laureate Dr Robert Langer and backstage interviews from the 2023 QEPrize Winner Announcement.

Running throughout 2023, the first three episodes of season four accounted for a quarter of total Create the Future downloads and saw a 14% increase in listener numbers. Create the Future has also been featured on BBC Radio6 Music and BBC Radio London, as well as trade magazine PodPod and the British Podcast Awards.

2.4.2 Financial Review

The total income for the year was £793,088 (2021/22 £762,262) of which £150,000 (2021/22 £199,954) was donations. The cost of generating funds was £196,691. Expenditure on charitable activities was £1,869,067 including £500,000 awarded for the 2023 prize.

Carrying value of net assets was £24,855,571 (2022: £27,460,925). The value of QEPrize investment portfolio decreased by £1,581,208 (2022: £230,077 decrease) with net investment loss being £1,312,264 (additions £4,764,032 disposals £4,979,556) and withdrawals of £1,500,000. Investments were valued at £24,566,441 (2021: £26,147,646).

The overall investment objectives are to create both income and capital growth such that the real capital value of the portfolio is maintained over the long term, thus allowing the prize to be awarded in perpetuity. The portfolio is managed on a total return basis with a medium risk profile. The QEPrize ensures that portfolio performance is measured against a customised benchmark. The investments are maintained with a long-term investment time horizon of over 10 years.

The QEPrize does not invest in organisations which conflict with the charity's purpose. The Trustees do not wish to invest in companies or funds that derive their income from the sale or manufacture of tobacco products. No initial investment to exceed 10% of the value of the fund. Bonds held will "BBB" or better classification.

Going Concern Policy (No material uncertainty)

No material uncertainties that may cast significant doubt about the ability of the charity to continue as a going concern have been identified by the Trustees, and therefore, these accounts have been prepared on a going concern basis.

The Foundation's senior management team monitor the cash position on a monthly basis by looking at the cash flow forecast for the next twelve months, broken down by month. This forecast, combined with an assessment of the future reserves position, forms the basis of our assessment of going concern. It has been stress tested to reflect several possible scenarios regarding the coronavirus pandemic and its impact on the wider economy, including using reverse stress testing. In doing so, we have particularly considered the impact of a global economic recession that negatively impacts on the Foundation's ability raise further significant funds.

Based on these forecasts, we believe that the going concern basis of accounting remains appropriate for our accounts. We have also considered whether there is any material uncertainty that may cast significant doubt over the use of that basis for a period of at least 12 months from the date of approval of the financial statements and we do not believe that this is the case.

Over the 2022/23 financial year, the Foundation's managed investment funds have been maintained at a level that is sufficient to support the awarding of the Queen Elizabeth Prize for Engineering for many more cycles.

2.4.3 Plans for future years

The objectives for the next QEPrize cycle are as follows:

- To **celebrate the tenth anniversary of the first award of the QEPrize** with a programme of events designed to engage not only existing stakeholders but also a wider audience.
- To open a **new Engineers gallery at London's Science Museum**, providing a much-needed entry to the world of engineering and opening people's eyes to the possibilities it affords.
- To mark the announcement of the winner(s) of the 2024 Queen Elizabeth Prize for Engineering
- To continue to **raise the profile of the QEPrize** successfully throughout the world and to firmly establish the prize as the most significant global award for engineers and engineering.
- To continue to use the QEPrize to **raise the public profile of engineering** in the UK and to inspire a generation of young people to consider engineering as a career.

The QEPrize team will work on external events, promoting both the QEPrize and engineering in general at home and internationally.

The development of the QEPrize's digital platforms and podcast programme will continue, recognising their strategic importance in spreading the Foundation's messages amongst a global audience.

Appendices:

Appendix I: QEPrize Judges 2022/23

Appendix II: QEPrize Search Group 2022/23

2.4.4 Reserves

Total QEPrize funds at 31 March 2023 decreased by £2.6m to £24.8m due to a net investment loss of £1.3m and a £1.3m net deficit from operating activities. QEPrize investments are held in a managed investment fund to provide long-term real growth, cash and liquidity.

The QEPrize should maintain a minimum level of free reserves of £20m. The free reserves should not exceed a maximum level of £40m. The QEPrize holds free reserves so that it can fund the QEPrize in perpetuity.

Total free reserves as at 31 March 2023 were £24.8m, of which £24.6m was held as investments. The difference between total free reserves and investments was £0.3m. Cash at bank and short-term deposits totalled £0.9m. The trustees have established an operating reserves policy to maintain a target level of reserves at £1.5m, representing contingency operating costs for approximately eighteen months.

2.4.5 Principal Risks and uncertainties

The three principal risks to the charity, along with the main mitigations and contingencies, are listed below.

- **The QEPrize fund is not sufficient to sustain the prize in perpetuity.** The trustees have established an investment strategy to maximise returns from the donations, and a business plan to secure additional donations. At current trajectory the investment fund provides for the continuation of the prize over many more prize cycles.
- **The QEPrize has a low or poor profile with the global engineering community, compromising the credibility of the QEPrize and then therefore its effectiveness as communications tool.** The global engineering community have been actively engaged in the QEPrize from the beginning in judging and in the global search for nominations. The global networks of the QEPrize, its Trustees, stakeholders and governments are informed, engaged and supportive of the prize. International media interest in the prize has been cultivated to ensure that its profile has grown significantly enabling it to reach a widespread global audience and establish itself as the world's most prestigious prize in engineering.

- **Public awareness of the QEPrize in the UK is low or poor, compromising its effectiveness as a communications tool.** A global PR agency – Edelman – works closely with the QEPrize team to advise and direct activities to ensure maximum PR benefit is secured from the prize process wherever possible. The media reach and communications impact of the QEPrize are tracked and monitored by audience.

Risk Management

The trustees maintain a register of all major risks to which the charitable company is exposed and a list of the systems and procedures in place to manage or mitigate those risks. These are recorded in the form of a risk register. The executive team meets quarterly with trustees to review activity, agree priorities and manage risks. The trustees confirm that the major risk to which the charitable company is exposed is not being self-sustainable for future charitable activities.

Charity Governance Code

The Board of Trustees adopted in full the Charity Governance Code for smaller charities in January 2020.

2.4.6 Remuneration policy

The QEPrize policy is to pay staff salaries at the market mid-point. Salaries are reviewed in alternate years following a market benchmarking exercise conducted by independent consultancy. The next review will be effective from November 2023.

In setting appropriate levels of senior management pay, the QEPrize considered the skills, experience and competencies required for each role, and the remuneration level for those roles in sectors where suitable candidates would be found.

2.4.7 Auditor

BDO LLP was reappointed auditor during the year.



Disclosure of information to auditor

In the case of each of the persons who are Trustees of the charitable company at the date when this report was approved:

- so far as each of the Trustees is aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- each of the Trustees has taken all the steps that he/she ought to have taken as a Trustee to make himself/herself aware of any relevant audit information (as defined) and to establish that the charity's auditor is aware of that information.

Approved by the Trustees 17 August 2023 and signed on their behalf by:

.....

Chairman, Lord Browne of Madingley

Trustees

.....

Sir Jim McDonald

3. STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for preparing the Annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period.

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

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

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

Financial statements are published on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the charity's website is the responsibility of the trustees. The trustees' responsibility also extends to the ongoing integrity of the financial statements contained therein.

4. INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE QUEEN ELIZABETH PRIZE FOR ENGINEERING FOUNDATION

Opinion on the financial statements

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 incoming resources and application of resources for the year 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.

We have audited the financial statements of The Queen Elizabeth Prize for Engineering Foundation ("the Charitable Company") for the ended 31 March 2023 which comprises the statement of financial activities (incorporating an income and expenditure account), the balance sheet, the statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remain independent of the Charitable Company in accordance with the ethical requirements 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.

Conclusions related to going concern

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

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

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

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Report and Accounts, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is 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.

Other Companies Act 2006 reporting

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

- the information given in the Report of the Trustees, which includes the Directors' Report and the strategic report prepared for the purposes of Company Law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Report of the Trustees' has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Charitable Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Report of the Trustees.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion;

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the Charitable Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the directors' report.

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Charitable Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Charitable Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under the Companies Act 2006 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.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Non-compliance with laws and regulations

Based on:

- Our understanding of the Charitable Company and the sector in which it operates;
- Discussion with management, those charged with governance and the Audit Committee; and
- Obtaining and understanding of the Charitable Company's policies and procedures regarding compliance with laws and regulations;

we considered the significant laws and regulations to be the applicable accounting framework, UK Companies Act 2006, Charities Act 2011, trust law, UK tax legislation and employment law.

The Charitable Company is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be the health and safety legislation, and data protection regulation.

Our procedures in respect of the above included:

- Review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of correspondence with regulatory and tax authorities for any instances of non-compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation;
- Involvement of BDO tax specialists in the audit regarding Gift Aid;
- Review of legal expenditure accounts to understand the nature of expenditure incurred.

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and the Group Audit Committee regarding any known or suspected instances of fraud;
- Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements; and
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of management override of controls) and determined that the principal risks were related to posting inappropriate journal entries to manipulate financial results and management bias in accounting estimates.

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation;
- Assessing significant estimates made by management for bias.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ("FRC's") website at:

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Charitable Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Charitable Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charitable Company and the Charitable Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

73D8B18FE9AC4C9...
Jill Halford (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
London, UK
Date: 11 September 2023

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).



5. STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING INCOME AND EXPENDITURE ACCOUNT)

		1 April 22 To 31 March 2023 £	1 April 21 To 31 March 2022 £
	Notes		
Incoming from			
Donations	3	150,000	199,954
Investments	4	643,088	562,308
Total		793,088	762,262
Expenditure on			
Raising Funds	5	196,691	218,781
Charitable Activities	6	1,879,584	1,349,137
Total		2,076,275	1,567,918
Net Deficit From Operating Activities		(1,283,187)	(805,656)
Net Investment (Losses)/Gains			
Realised (Losses) on Investments	12	(53,420)	(73,866)
Unrealised (Losses)/Gains on Investments	12	(1,312,264)	2,005,211
Realised and Unrealised (Losses)/Gains on investments		(1,365,684)	1,931,345
Net (Losses)/Gains and net movement in funds for the year	8	(2,648,871)	1,125,689
Reconciliation of funds			
Total Funds Brought Forward		27,460,925	26,335,236
Total Funds Carried Forward	8	24,812,054	27,460,925

The notes on pages 28 to 34 form part of these financial statements.

The above fund is unrestricted. There were no other recognised gains and losses other than those stated above. All the above income and expenditure are derived from continuing activities.



6. BALANCE SHEET AT 31 MARCH 2023

Company number: 8077332

	<u>Notes</u>	At 31 March 2023	At 31 March 2022
		£	£
INVESTMENTS	12	24,566,441	26,147,646
CURRENT ASSETS			
Debtors	13	43,213	46,247
Short term deposits		184,805	931,701
Cash at bank		687,286	1,006,659
Total current assets		915,304	1,984,607
CURRENT LIABILITIES			
Creditors	14	669,691	671,328
NET CURRENT ASSETS		245,613	1,313,279
TOTAL NET ASSETS		24,812,054	27,460,925
The funds of the foundation:			
Unrestricted funds	8	24,812,054	27,460,925
Total Charity Funds		24,812,054	27,460,925

The notes on pages 28 to 34 form part of these financial statements.

Approved by the Trustees and authorised for issue on the 17th of August 2023 and signed on their behalf:

Chairman, Lord Browne of Madingley

Sir Jim McDonald

7. STATEMENTS OF CASH FLOWS

Year Ended 31 MARCH 2023

	2023	2022
	£	£
Cash flows from operating activities:		
Net cash used in operating activities	(1,786,565)	(1,904,780)
Cash flows from investing activities:		
Dividends and interest from investments	504,772	562,308
Proceeds from sale of investments	4,979,556	4,793,456
Purchase of investments	(4,764,032)	(2,632,034)
Net Cash (Outflow)/Inflow from Operating Activities	(1,066,269)	818,950
Change in cash in the reporting period		
Cash at the beginning of the reporting period	1,938,360	1,119,410
Cash at the end of the reporting period	872,091	1,938,360
Reconciliation of net expenditure to net cash flow from operating activities		
	£	£
Net (expenditure)/income for the reporting period (as per statement of financial activities)	(2,648,871)	1,125,689
Adjustments for:		
Realised and Unrealised Gains/(Losses) on investments	1,365,684	(1,931,345)
Dividends and interest from investments	(643,088)	(562,308)
Increase in debtors	141,347	7,516
(Increase) in creditors	(1,637)	(544,322)
Net cash used in operating activities	(1,786,565)	(1,904,770)
Analysis of cash	£	£
Cash in hand	687,286	1,006,659
Notice deposits (less than three months)	184,805	931,701
Total cash	872,091	1,938,360

8. NOTES TO THE ACCOUNTS**FOR THE YEAR TO 31 MARCH 2023****1 ACCOUNTING POLICIES****Basis of Accounting**

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

Going Concern

The Queen Elizabeth Prize for Engineering Foundation derives its income from donations and investment income. Over the 2022/23 financial year, the Foundation's managed investment funds have been maintained at a sufficient level to support the awarding of the Queen Elizabeth Prize for Engineering for many more cycles. Therefore, the Trustees believe that the Foundation will continue as a going concern for the foreseeable future and continues to adopt the going concern basis in preparing the financial statements.

Incoming Resources

- Income received by way of donations is included in full in the statement of financial activities when receivable.
- Dividend income and interest receivable are included in the statement of financial activities on an accrual basis.
- Donated services are recognised when the benefit to the charitable company is reasonably quantifiable. The value placed on these resources is the estimated value to the charitable company of the service received.

Expenditure

Expenditure is recognised on an accrual basis. The cost of the QEPrize is recognised in the financial year in which it has been awarded. Irrecoverable VAT is charged against the category

REPORT AND ACCOUNTS: FOR THE YEAR TO 31 MARCH 2023

of resources expended for which it was incurred.

Support Costs

Support costs are those functions that assist the work of the charity and mainly comprise staff costs and overheads. These costs have been allocated between the costs of raising funds and expenditures on charitable activities.

Investments

The portfolio is stated at bid-market value at the balance sheet date. Any unrealised and realised gain or loss on revaluation is taken to the Statement of Financial Activities.

Financial Instruments

The Foundation only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Cash at Bank

Cash at bank includes cash and short term highly liquid investments. Cash not required for working capital purposes is transferred to the investment portfolio.

Estimates and Judgements

In preparing these financial statements, the Trustees have not made any significant judgements or estimates.

2 SERVICE CHARGE

The Royal Academy of Engineering levied a service charge of £282,450 (2021/22 £269,000) on The Queen Elizabeth Prize for Engineering Foundation for the year ended 31 March 2023 in respect of the administration costs incurred on behalf of the Foundation.

REPORT AND ACCOUNTS: FOR THE YEAR TO 31 MARCH 2023

3 VOLUNTARY INCOME

	Year ended 31 March 2023	Year ended 31 March 2022
	£	£
Donations received	150,000	200,000
Other Income	-	(46)
	<u>150,000</u>	<u>199,954</u>

4 INVESTMENT INCOME

	Year ended 31 March 2022	Year ended 31 March 2022
	£	£
Investment income receivable	639,321	562,202
Interest receivable	3,767	106
	<u>643,088</u>	<u>562,308</u>

5 RAISING FUNDS

	Year ended 31 March 2023	Year ended 31 March 2022
	£	£
Support costs	93,248	105,081
Investment costs	103,443	113,700
	<u>196,691</u>	<u>218,781</u>

Included in support costs are £28,063. (2021/22 £28,875) of staff costs.

REPORT AND ACCOUNTS: FOR THE YEAR TO 31 MARCH 2023

6 CHARITABLE ACTIVITIES

	Year ended 31 March 2023	Year ended 31 March 2022
	£	£
Prize	500,000	500,000
Prize trophy	51,503	20,695
Award ceremony & events	573,384	99,421
Judging expenses	100,097	24,562
Publicity and communication	127,394	227,645
Support costs	495,302	454,750
Website costs	1,334	2,012
Other	21,807	16,377
Governance costs	8,763	3,675
	<u>1,879,584</u>	<u>1,349,137</u>

Included in support costs are £205,798 (2021/22 £211,750) of staff costs. Support costs are those functions that assist the work of the charity and mainly comprise staff costs and overheads. These costs have been allocated between costs of raising funds and expenditure on charitable activities based on staff time.

7 STAFF COSTS

	Year ended 31 March 2023	Year ended 31 March 2022
	£	£
Wages and salaries	166,710	196,100
Social securities	19,417	20,922
Pension costs	19,579	24,177
Other	-	(573)
	<u>205,706</u>	<u>240,626</u>

The emoluments of higher paid staff within the following scales were:

	Number	Number
£70,001-£80,000	1	1

The Royal Academy of Engineering employed seven staff members who were seconded to the QEPrize Foundation in the year. Three of the employees resigned during the year. The senior management team consists of the Associate Director of Operations, who manages the

REPORT AND ACCOUNTS: FOR THE YEAR TO 31 MARCH 2023

day-to-day operations of the charity. Their aggregate remuneration in the year was £76,009 (2021/22 £70,354). There was one resignation and one appointment among the senior management team during the year.

8 FOUNDATION FUNDS UNRESTRICTED

	2023	2022
	£	£
	1 April 2022	1 April 2021
	To 31 March 2023	To 31 March 2022
(Deficit)/surplus for year to 31 March 2023	(2,648,871)	1,125,689
General Fund at 1 April 2022	27,460,925	26,335,236
Balance	24,812,054	27,460,925

9 TRUSTEES' EXPENSES

No trustee received any reimbursement of expenses (2022 – nil).

10 CORPORATION TAXATION

The Foundation 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 objectives.

11 NET INCOME FOR THE YEAR

	2023	2022
	£	£
	01-Apr-22	01-Apr-21
	To 31 March 2023	To 31 March 2022
Net income for the year are stated after charging audit fee for the year	4,410	3,675

REPORT AND ACCOUNTS: FOR THE YEAR TO 31 MARCH 2023

12 INVESTMENTS

	2023	2022
	General Fund	General Fund
	£	£
Market Value at 1 April	26,147,649	26,377,723
Add Acquisitions at Costs	4,764,032	2,632,037
Less Disposals at Book Value	(4,979,556)	(4,793,456)
Net Realised Loss on Revaluation at 31 March	(53,420)	(73,866)
Net Unrealised (Loss)/Gain on Revaluation at 31 March	(1,312,264)	2,005,211
	<u>24,566,441</u>	<u>26,147,649</u>

All investments consist of securities listed on the London Stock Exchange, of which fixed-interest bonds amount to approximately £4,263,110.

13 DEBTORS

	2023	2022
	£	£
Accrued Income	41,150	44,103
Amounts due from parent company	0	529
Other Debtor	2,063	1,615
	<u>43,213</u>	<u>46,247</u>

14 CREDITORS

	2023	2022
	£	£
Creditors	1,538	1,893
Amounts due to parent company	107,354	76,336
Accruals	560,799	593,099
	<u>669,691</u>	<u>671,328</u>

15 ULTIMATE CONTROLLING ENTITY

As its sole member, the trustees of the Queen Elizabeth Prize for Engineering Foundation consider The Royal Academy of Engineering to be the ultimate controlling entity. The Academy is a registered charity No. 293074. The registered office is 3 Carlton House Terrace, St. James's, London, SW1Y 5DG, UK. The Royal Academy of Engineering brings together the most successful and talented engineers from across the profession and its fellows for a shared purpose: to advance and promote excellence in engineering for the benefit of society.

REPORT AND ACCOUNTS: FOR THE YEAR TO 31 MARCH 2023

The QEPrize accounts have been consolidated within Academy's accounts and can be obtained from Academy's website (<http://www.raeng.org.uk/publications/strategy-and-finance>).

16 RELATED PARTY TRANSACTIONS

The QEPrize has the following transactions with a controlling entity, The Royal Academy of Engineering:

	Year ended 31 March 2023	Year ended 31 March 2022
	£	£
Sales	-	-
Salary recharges	233,861	240,626
Management Fee	248,556	269,000

REPORT AND ACCOUNTS: FOR THE YEAR TO 31 MARCH 2023

Appendix I: QEPrize Panel Judges, 2022/23

Name	Job title	Country
Professor Dame Lynn Gladden DBE FREng FRS	Chair of Judges Shell Professor of Chemical Engineering, University of Cambridge	UK
Professor Jim Al-Khalili OBE FRS	Professor of Physics and Professor of Public Engagement in Science, University of Surrey	UK
Dr John L Anderson	President, National Academy of Engineering	USA
Professor Carlos Henrique de Brito Cruz	Science Director, Saõ Paulo Research Foundation	Brazil
Dr Jean-Lou Chameau	President, King Abdullah University of Science and Technology	Saudi Arabia
Dr Josephine Cheng	Former Vice President, IBM Research	USA
Dr Abdigani Diriye	Co-Founder & CPO, Bloom Technologies	Somalia
Dr Alan Finkel	Former Chief Scientist of Australia	Australia
Ilya Marotta	Deputy Administrator, Panama Canal Authority	Panama
Dr Raghunath Mashelkar	National Research Professor, Chairman of the National Innovation Foundation and President of Global Research Alliance	India
Professor Tatsuya Okubo	Executive Vice President & Professor of Chemical System Engineering, University of Tokyo	Japan
Professor Dr Dr hc Viola Vogel	Head of Laboratory of Applied Mechanobiology, ETH Zurich	Switzerland
Dr Henry Yang	Professor of Mechanical Engineering and Chancellor, University of California, Santa Barbara	USA

REPORT AND ACCOUNTS: FOR THE YEAR TO 31 MARCH 2023

Appendix II: QEPrize Search Group

Name	Job Title	Country
<i>Professor Guy Houlsby FREng</i>	<i>Chair of Search Group Professor of Civil Engineering, University of Oxford</i>	<i>UK</i>
<i>David Adkins</i>	<i>Digital Transformation Manager, National Grid</i>	<i>UK</i>
<i>Aimi Elias</i>	<i>Machine Learning Engineer, Sky</i>	<i>UK</i>
<i>Professor Neil Alford FREng</i>	<i>Associate Provost (Academic Planning), Imperial College</i>	<i>UK</i>
<i>Sotira Georgiou</i>	<i>Senior Engineer, Ramboll</i>	<i>UK</i>
<i>Dr Paolo Gomes</i>	<i>Data Science & Analytics Manager, BA Glass</i>	<i>Portugal</i>
<i>Professor Peter Guthrie</i>	<i>Director of Research in Sustainable Development, University of Cambridge</i>	<i>UK</i>
<i>Professor Joe McGeehan CBE FREng</i>	<i>Emeritus Professor of Communications Engineering, University of Bristol</i>	<i>UK</i>
<i>Titi Oliyde</i>	<i>Senior Safety Engineer, Supercritical Solutions</i>	<i>UK</i>
<i>Professor Ric Parker CBE FREng</i>	<i>Former Director of Research and Technology, Rolls-Royce</i>	<i>UK</i>
<i>Professor Richard Penty FREng</i>	<i>Professor of Photonics, University of Cambridge; Master, Sidney Sussex College</i>	<i>UK</i>
<i>Professor Eleanor Stride OBE FREng</i>	<i>Statutory Professor of Biomaterials, University of Oxford</i>	<i>UK</i>
<i>Dr Larissa Suzuki</i>	<i>Technical Director, Google</i>	<i>UK</i>

THE QUEEN ELIZABETH PRIZE FOR ENGINEERING FOUNDATION

England & Wales - Charity number 1147743

Accounts



THE QUEEN ELIZABETH PRIZE FOR ENGINEERING FOUNDATION

REPORT AND ACCOUNTS

1 April 2021 TO 31 March 2022

Charity Number: 1147743

Company Number: 8077332

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1. INTRODUCTION

The Queen Elizabeth Prize for Engineering (QEPrize) is dedicated to championing bold, ground breaking innovation in engineering that helps humanity survive and thrive. By celebrating engineering visionaries and inspiring creative minds we are working to secure the future of engineering for a better world.

Promoting excellence in engineering, the annual prize of £500,000 salutes engineering's leading figures - individuals or those working together as a team - with the added purpose of inspiring and exciting young people to consider engineering as a discipline and career choice, whilst additionally encouraging existing practitioners to help push the boundaries of engineering.

Our planet and humanity face increasingly significant and complex challenges. Diverse, multifaceted and continually evolving, engineering helps discover solutions to those challenges - making the world we live in a better, more equitable, sustainable place.

Adding value to billions of lives, engineering has a living impact; medicines delivered to the body with precision by nano-scale devices, the world's biggest and greenest buildings, the pinpoint accuracy of surgical robots, development of the world wide web, GPS satellite tracking.

To date, the Queen Elizabeth Prize for Engineering has recognised the following Laurates:

- in 2013: Robert Kahn, Vinton Cerf, Louis Pouzin, Marc Andreessen and Sir Tim Berners-Lee for the internet and worldwide web;
- in 2015: Dr Robert Langer for controlled release large molecule drug delivery;
- in 2017: Eric Fossum, George Smith, Nobukazu Teranishi and Michael Tompsett for digital imaging sensors;
- in 2019: Dr Bradford Parkinson, Professor James Spilker Jr, Hugo Fruehauf and Richard Schwartz for the global positioning system;
- in 2021: Professor Isamu Akasaki, Professor Shuji Nakamura, Professor Nick Holonyak Jr, Dr M. George Craford and Professor Russell Dupuis for the creation and development of LED lighting.

Our latest Laureate is Dr Masato Sagawa, honoured for his work on the discovery, development and global commercialisation of the sintered Neodymium Iron Boron permanent magnet.

FOREWARD – LORD BROWNE OF MADINGLEY***Chairman, Queen Elizabeth Prize for Engineering Foundation***

Engineering is a noble endeavour and it holds the key to addressing global challenges such as climate change and the Covid19 pandemic. There has never been a more appropriate time to recognise the enormous contribution of engineering to human civilisation.

The Queen Elizabeth Prize for Engineering honours engineering visionaries - individuals or part of a team - with the added purpose of inspiring and exciting creative young minds to help solve the challenges of the future. It also encourages today's engineers to help push the boundaries of the profession across all its disciplines and applications.

This extraordinary Prize enables us to honour the collective global impact of engineering and helps to foster emerging ideas and innovations. More than ever, humanity faces increasingly significant and complex challenges.

Reflecting the pace of engineering innovation, this year has marked the transition of the QEPrize to an annual cycle, a move which enables us to celebrate even more of the very best in engineering, and to honour more engineers whose work improves the lives of so many people around the globe.

The exceptional innovations brought to life by all the Queen Elizabeth Prize for Engineering Laureates will undoubtedly serve to inspire others to extend the limits of technology in years to come.

2. REPORT OF THE TRUSTEES

2.1 REFERENCE AND ADMINISTRATIVE DETAILS FOR THE CHARITY, ITS TRUSTEES AND ADVISORS

The Queen Elizabeth Prize for Engineering Foundation ('QEPrize Foundation') is a charitable company, registered as a charity with the Charity Commission with charity number: 1147743 and registered as a company with Companies House as company number 8077332.

The principal office of the QEPrize Foundation is 3 Carlton House Terrace, London SW1Y 5DG.

Chair of Trustees: Lord Browne of Madingley

Trustees: Mala Gaonkar, Professor John Hennessy, Angela Hunter, Professor Sir Jim McDonald, Sir Paul Nurse

The professional advisers to the QEPrize Foundation are as follows:

Legal advisers: Macfarlanes LLP of 20 Cursitor Street, London EC4A 1LT

Bankers: National Westminster Bank Plc, Registered office: 250 Bishopsgate, London, EC2M 4AA

Auditor: BDO LLP, 55 Baker Street, London W1U 7EU

Investment Advisers: Investec Wealth & Investment Limited, 2 Gresham Street, London EC2V 7QN

Dr Hayaatun Sillem, Chief Executive Officer, and Jonathan Narbett, Associate Director, Operations of the Queen Elizabeth Prize for Engineering Foundation, Prince Philip House, 3 Carlton House Terrace, London SW1Y 5DG have been given authority to carry out day-to-day administrative functions on behalf of the Charity.

2.2. STRUCTURE, GOVERNANCE AND MANAGEMENT

The Queen Elizabeth Prize for Engineering Foundation is governed by the Articles of Association for a private company limited by guarantee. These were agreed by trustees on 21 May 2012 and amended by trustees on 4 March 2013. The sole member of the charitable company is the Royal Academy of Engineering.

The board of trustees of the charitable company consists of at least two (and no more than six) nominated trustees, who are appointed by ordinary resolution or by a decision of the trustees and one Ex-Officio trustee who is holder of the office of the President of the Royal Academy of Engineering. All material decisions in relation to the Foundation are taken by the trustees.

Funding, in the form of donations, for the Foundation has been received from the following engineering companies: BAE Systems plc, BG Group, BP plc, GlaxoSmithKline, Hitachi, Ltd., Jaguar Land Rover, National Grid, Nissan Motor Company, Shell UK Ltd, Siemens UK, Sony Corporation, Tata Consultancy Services, Tata Steel Europe and Toshiba.

The current donor companies have, together, given donations of £27 million. The QEPrize funds are managed by the trustees of the Foundation.

The day-to-day administrative work of the charity is delegated by the trustees to the Associate Director, Operations of the QEPrize, based at the Prince Philip House, 3 Carlton House Terrace, London SW1Y 5DG. The Chief Executive Officer and the Associate Director, Operations support the Trustees in delivering the objectives of the charitable company with an administrative team based at Prince Philip House.

The QEPrize administrative team during the year of this report is shown below.

QEPrize team at 31 March 2022

Title	Name	Appointed	Current post from
CEO	Dr Hayaatun Sillem	Jan-21	Jan-21
Associate Director, Operations	Jonathan Narbett	Dec-14	Jan-21
Senior Programmes Manager	Dr Sarah Rhodes	Oct-14	Oct-14
Digital Communications Manager	Imogen Ruddock	Jul-15	Oct-19
Ambassador Network Coordinator	Katie Leefe	Jan-18	Oct-19
Programmes Assistant	Daniel Thomas	Nov-19	Nov-19

Members of the QEPrize team who left during the year to 31 March 2022

Title	Name	Appointed	Resigned
Senior Programmes Manager	Cuong Dang	Oct-14	May-21

2.3 OBJECTIVES AND ACTIVITIES FOR THE PUBLIC BENEFIT

2.3.1 Objectives

The objects of the Queen Elizabeth Prize for Engineering Foundation are, for the benefit of the public:

- to advance and promote engineering in the UK and around the world, including by promoting research in the field of engineering and the dissemination and application of the results of such research for the benefit of the public and by encouraging young people (and in particular young people in the United Kingdom) to aspire to a career in engineering; and
- to advance the education of the public in the subject of engineering by establishing, awarding and promoting a high-profile and internationally-recognised prize for engineering known as 'The Queen Elizabeth Prize for Engineering' and to be awarded to an individual or group of individuals responsible for a ground-breaking advance in engineering which has created significant international public benefit.

In determining the objectives of the Foundation and in planning its activities, the trustees have given due consideration to the Charity Commission's guidance on public benefit.

The objectives of the Foundation are to:

- A. establish the QEPrize as the pre-eminent global prize for engineering innovation.
- B. use the QEPrize to create a societal change in which engineering is widely recognised and valued.
- C. use the QEPrize to change perceptions of engineering so that it is an aspirational career for all young people.

To achieve these objectives the Foundation employs the following strategies:

- A. to grow the investment fund to a level which allows for the operation and awarding of the QEPrize to be sustained in perpetuity.
- B. to raise the profile of the QEPrize specifically and, by extension, engineering generally, through increased media coverage of QEPrize activities.

Delivering Impact

The world needs more engineers, from all backgrounds, to address some of our greatest challenges. We believe one of the most effective ways we can increase the number and diversity of people within our profession is to raise the profiles of engineers and engineering globally, to help young people find role models they recognise, and to help world leaders discover innovations and innovators they can celebrate and work with and learn from.

The QEPrize does just this. We bring together global communities:

- Of experts, to identify the most influential engineering innovations and recognise them with an award of £500,000.
- Of Ambassadors, to inspire young people with those innovations through engagement with young people online and in schools.
- Of Donors, to ensure that we can continue to celebrate and advance engineering's impact for many years to come.

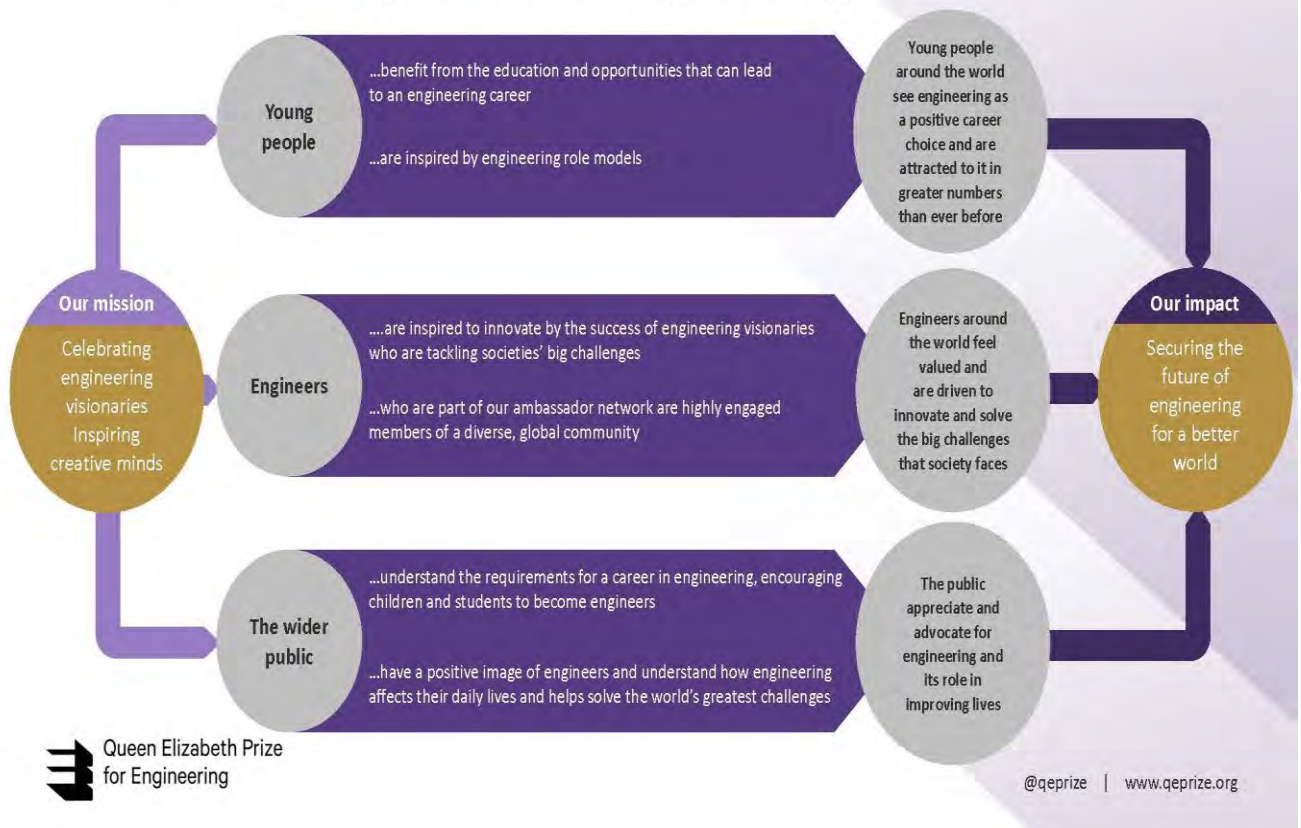
Already, the QEPrize has:

- Given public recognition to 20 incredible innovators, helping people around the world understand the impact of engineering on their lives.
- Enabled more than 200 ambassadors to spread the word about engineering's vital contribution to global challenges and raise their own profile as innovators and changemakers.
- Helped more than 5,000 young people to experience engineering design through involvement in our Create the Trophy exhibition.



Delivering Impact - theory of change

From mission to impact – our theory of change



2.4 STRATEGIC REPORT

2.4.1 Objectives & Achievements to 31 March 2022

The Presentation Ceremony for the 2021 Queen Elizabeth Prize for Engineering

Despite the challenges presented by the global health pandemic we were delighted to gather in person on 7 December 2021 at St James' Palace for the 2021 QEPrize Presentation Ceremony, hosted by His Royal Highness The Prince of Wales.

The 2021 Laureates, Professor Isamu Akasaki, Professor Shuji Nakamura, Professor Nick Holonyak Jr, Dr M. George Craford and Professor Russell Dupuis were recognised not only for the global impact of LED and solid state lighting but also for the tremendous contribution the technology has made, and will continue to make, to reducing energy consumption and addressing climate change.

Solid state lighting technology has changed how we illuminate our world. It can be found everywhere from digital displays and computer screens to handheld laser pointers, automobile headlights and traffic lights. Today's high-performance LEDs are used in efficient solid state lighting products across the world and are contributing to the sustainable development of world economies by reducing energy consumption.

LED bulbs last 25 times longer than incandescent bulbs and their large-scale use reduces the energy demand required to cool buildings. For this, they are often referred to as the 'green revolution' within lighting.

Unfortunately Professor Holonyak was unable to travel due to Covid restrictions and Professor Akasaki passed away prior to the ceremony. His son-in-law, Dr Kazuaki Takahashi, joined the remaining Laureates and all were presented with their trophies by His Royal Highness.

Also present at the ceremony was the winner of the 2021 Create the Trophy Competition, student Hannah Goldsmith, aged 21, from the UK. Hannah's winning design was a combination of elegance and complexity, drawing inspiration from the circuit boards on which much engineering is done.

Following the Presentation Ceremony 80 guests attended a formal dinner in honour of the Laureates, hosted by Lord Browne of Madingley at the Royal Academy of Engineering.

The Announcement of the Winner of the 2022 Queen Elizabeth Prize for Engineering

Again as a result of the continuing global public health pandemic the announcement of the winner of the 2022 Queen Elizabeth Prize for Engineering was made during an online presentation on 1 February.

The 2022 QEPrize was awarded to Japan's Dr Masato Sagawa for his work on the discovery, development and global commercialisation of the sintered Neodymium Iron Boron permanent magnet - the world's most powerful permanent magnet which has been transformational in its contribution towards enabling cleaner, energy saving technologies.

The announcement of Dr Sagawa's success was made by Lord Browne of Madingley, Chairman of the Queen Elizabeth Prize for Engineering Foundation whilst HRH The Princess Royal welcomed viewers to the announcement broadcast.

Dr Masato Sagawa pioneered the development of a sintered rare-earth permanent magnet, the sintered neodymium-iron-boron (Nd-Fe-B) magnet. Dr Sagawa's breakthrough innovation was his creation of a new compound formed by replacing the scarce and expensive cobalt and samarium with more abundant and cheaper iron and neodymium, and at the same time introducing boron to improve the magnetic properties – the first step in delivering high performance to a mass market.

Dr Sagawa then led the research and development in the 1980s and early 1990s to successfully overcome the issues of sudden reduction of magnetic coercivity at high temperature, most notably by adding dysprosium (Dy) to improve heat resistance. This resulted in the development of high-volume manufacturing techniques which successfully commercialised his innovation. For even wider applications, he continued further successful development of novel techniques for reducing the amount of Dy or even eliminating the usage of Dy to help preserve natural resources.

The result was a new magnet for the mass market that almost doubled the performance of the previous best and successfully turned Nd-Fe-B magnets into a viable industrial material with wide applications.

The new magnet has a significant advantage in high-efficiency and high-torque density applications, such as motors and generators for electric vehicles and wind power generation, and in more general applications where small powerful magnets are required, including robots, automation systems and domestic appliances.

Not only is the Nd-Fe-B market predicted to be worth over \$19.3 billion by 2026, but this type of permanent magnet is also essential to the value chain of 8.5 million electric vehicles and hybrid electric vehicles in use globally, demonstrating a prolific impact on the entire economy.

Media Coverage Throughout the Cycle

Both the 2021 QEPrize Presentation Ceremony and the 2022 QEPrize Winner Announcement again garnered an impressive array of top tier media coverage, including global broadcast and national media, key engineering trades, as well as US education and science titles. Flagship coverage included an interview with Lord Browne of Madingley on Sky News' Ian King Live, and Professor Dame Lynn Gladden, Chair of the international Judging Panel, featuring on BBC Radio 4.

Both events also generated wide global interest, gaining coverage in 25 countries across five continents, with a particular presence in the Japanese media, where the achievements of Professor Akasaki and Dr Sagawa were featured on global broadcaster NHK as well in Japan's national publication, Nippon.

Create the Trophy Competition

The announcement event also saw the winner of the latest Create the Trophy competition revealed. The competition, open to those aged between 14 and 24 around the world, seeks innovative trophy designs to be presented to the winners of the QEPrize. The winning design was created by Anshika Argawal, 17, from India.

Anshika's winning design was chosen from over 1000 entries submitted from 76 countries. The expert panel of judges was again led by Sir Ian Blatchford, Director and Chief Executive of the Science Museum Group. Joining him on the panel were structural engineer Roma Agrawal, designer Rebeca Ramos and Dr Zoe Laughlin, Co-founder and Director of the Institute of Making.

QEPrize Ambassadors Network

The QEPrize Ambassador Network brings together the best and brightest early career engineers from all fields around the world, who work to inspire the next generation to follow in their footsteps.

The network empowers young engineers by developing a range of transferable skills that enrich their professional and personal lives. It gives them the opportunity to learn from business leaders and other network members, and it provides a platform for them to collaborate internationally.

For the 2022 QEPrize cycle, members of the Network joined the Search & Nominations Committee for the first time. David Adkins, Dr Paulo Gomes, Titi Oliyide and Dr Larissa Suzuki will assist in assessing submitted nominations prior to judging.

Six Ambassadors contributed to the Royal Academy of Engineering's Connecting STEM Teachers programme Sustainable Futures Innovation Challenge as panel members and judges, whilst Lydia Amarquaye became a reviewer and interviewer for the Lord Bhattacharyya Higher Education Bursaries.

QEPrize Create the Future Podcast

The Create the Future podcast began its third season in 2022 featuring a long form interview with the latest QEPrize Laureate, Dr Masato Sagawa.

The podcast continues to drive the QEPrize's work in highlighting the full diversity of the modern engineering profession. It enables a growing audience to hear from, amongst others, Naadiya Moosajee, a civil engineer and co-founder of WomEng, Dr Margaret Liu, the Mother of DNA, Guru Madhavan, biomedical engineer and policy advisor, and QEPrize Ambassador Susan McDonald on the engineering challenge of delivering Net Zero.

The podcast is regularly downloaded in over 130 countries and features in the 'Top 100 Technology' podcast charts in the UK, Canada, Hong Kong, Thailand, France, Germany, France, and Japan.

2.4.2 Financial Review

The total income for the year was £762,263 (2020/21 £777,007) of which £200,000 (2020/21 £200,000) was donations. Cost of generating funds was £218,781. Expenditure on charitable activities was £1,349,137 including £500,000 awarded for the 2022 prize.

Carrying value of net assets was £27,460,926 (2021: £26,335,236). The value of QEPrize investment portfolio decreased by £230,077 (2021: £4,428,594 increase) with net investment gains being £1,931,345 (additions £2,632,031 disposals £4,793,456) and withdrawals of £2,000,000. Investments were valued at £26,147,641 (2021: £26,377,718).

The overall investment objectives are to create both income and capital growth such that the real capital value of the portfolio is maintained over the long-term thus allowing the prize to be awarded in perpetuity. The portfolio is managed on a total return basis with a medium risk profile. The QEPrize ensures that portfolio performance is measured against a customised benchmark. The investments are maintained with the long-term investment time horizon of over 10 years.

The QEPrize does not invest in organisations which conflict with charity's purpose. The Trustees do not wish to invest in companies or funds that derive their income from the sale or manufacture of tobacco products. No initial investment to exceed 10% of the value of the fund. Bonds held will "BBB" or better classification.

Going Concern Policy (No material uncertainty)

No material uncertainties that may cast significant doubt about the ability of the charity to continue as a going concern have been identified by the Trustees and therefore these accounts have been prepared on a going concern basis.

The Foundation's senior management team monitor the cash position on a monthly basis by looking at the cash flow forecast for the next twelve months, broken down by month. This forecast, combined with an assessment of the future reserves position, forms the basis of our assessment of going concern. It has been stress tested to reflect several possible scenarios regarding the coronavirus pandemic and its impact on the wider economy, including using reverse stress testing. In doing so, we have particularly considered the impact of a global economic recession that negatively impacts on the Foundation's ability raise further significant funds.

Based on these forecasts, we believe that the going concern basis of accounting remains appropriate for our accounts. We have also considered whether there is any material uncertainty that may cast significant doubt over the use of that basis for a period of at least 12 months from the date of approval of the financial statements and we do not believe that this is the case.

Over the 2021/22 financial year the Foundation's managed investment funds have been maintained at a level that is sufficient to support the awarding of the Queen Elizabeth Prize for Engineering for many more cycles.

2.4.3 Plans for future years

The objectives for the next QEPrize cycle are as follows:

- To mark the **announcement of the winner(s) of the 2023 Queen Elizabeth Prize for Engineering and celebrate the tenth anniversary of the first award of the QEPrize** with a programme of events designed to engage not only existing stakeholders but also a wider audience.
- To continue to **raise the profile of the QEPrize** successfully throughout the world and to firmly establish the prize as the most significant global award for engineers and engineering.
- To continue to use the QEPrize to **raise the public profile of engineering** in the UK and to inspire a generation of young people to consider engineering as a career.

The QEPrize team will work on external events, public health restrictions permitting, promoting both the QEPrize and engineering in general at home and internationally.

The development of the QEPrize's digital platforms and podcast programme will continue, recognising their strategic importance in spreading the Foundation's messages amongst a global audience.

Appendices:

Appendix I: QEPrize Judges 2021/22

Appendix II: QEPrize Search Group 2021/22

2.4.4 Reserves

Total QEPrize funds at 31 March 2022 increased by £1.1m to £27.5m due to net investment gains of £1.9m. QEPrize investments are held in a managed investment fund to provide long term real growth, cash and liquidity.

The QEPrize should maintain a minimum level of free reserves of £20m. The free reserves should not exceed a maximum level of £40m. The QEPrize holds free reserves so that it can fund the QEPrize in perpetuity.

Total free reserves as at 31 March 2022 were £27.5m of which £26.1m was held as investments. The difference between total free reserves and investments was £1.3m. Cash at bank and short-term deposits totaled £1.9m. The trustees have established operating reserves policy to maintain a target level of reserves at £1.5m representing as contingency operating costs for approximately eighteen months.

2.4.5 Principal Risks and uncertainties

The three principal risks to the charity, along with the main mitigations and contingencies, are listed below.

- **The QEPrize fund is not sufficient to sustain the prize in perpetuity.** The trustees have established an investment strategy to maximise returns from the donations, and a business plan to secure additional donations. At current trajectory the investment fund provides for the continuation of the prize over many more prize cycles.
- **The QEPrize has a low or poor profile with the global engineering community, compromising the credibility of the QEPrize and then therefore its effectiveness as communications tool.** The global engineering community have been actively engaged in the QEPrize from the beginning in judging and in the global search for nominations. The global networks of the QEPrize, its Trustees, stakeholders and governments are informed, engaged and supportive of the prize. International media interest in the prize has been cultivated to ensure that its profile has grown significantly enabling it to reach a widespread global audience and establish itself as the world's most prestigious prize in engineering.

- **Public awareness of the QEPrize in the UK is low or poor, compromising its effectiveness as a communications tool.** A global PR agency – Edelman – works closely with the QEPrize team to advise and direct activities to ensure maximum PR benefit is secured from the prize process wherever possible. The media reach and communications impact of the QEPrize are tracked and monitored by audience.

Risk Management

The trustees maintain a register of all major risks to which the charitable company is exposed and a list of the systems and procedures in place to manage or mitigate those risks. These are recorded in the form of a risk register. The executive team meets quarterly with trustees to review activity, agree priorities and manage risks. The trustees confirm that the major risk to which the charitable company is exposed is not being self-sustainable for future charitable activities.

Charity Governance Code

The Board of Trustees adopted in full the Charity Governance Code for smaller charities in January 2020.

2.4.6 Remuneration policy

The QEPrize policy is to pay staff salaries at the market mid-point. Salaries are reviewed in alternate years following a market benchmarking exercise conducted by independent consultancy. The next review will be effective from 1 April 2022.

In setting appropriate levels of senior management pay, the QEPrize considered the skills, experience and competencies required for each role, and the remuneration level for those roles in sectors where suitable candidates would be found.

2.4.7 Auditor

BDO LLP was reappointed auditor during the year.



Disclosure of information to auditor

In the case of each of the persons who are Trustees of the charitable company at the date when this report was approved:

- so far as each of the Trustees is aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- each of the Trustees has taken all the steps that he/she ought to have taken as a Trustee to make himself/herself aware of any relevant audit information (as defined) and to establish that the charity's auditor is aware of that information.

Approved by the Trustees 17 August 2022 and signed on their behalf by:

.....

Chairman, Lord Browne of Madingley

Trustees

.....

Sir Jim McDonald

3. STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for preparing the Annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period.

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

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

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

Financial statements are published on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the charity's website is the responsibility of the trustees. The trustees' responsibility also extends to the ongoing integrity of the financial statements contained therein.

4. INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF THE QUEEN ELIZABETH PRIZE FOR ENGINEERING FOUNDATION

Opinion on the financial statements

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.

We have audited the financial statements of The Queen Elizabeth Prize for Engineering Foundation ("the Charitable Company") for the year ended 31 March 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remain independent of the Charitable Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions related to going concern

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

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

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

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Report of the Trustees, other than the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Other Companies Act 2006 reporting

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

- the information given in the Report of the Trustees', prepared for the purposes of Company Law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees' have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Charitable Company and its environment obtained in the course of the audit, we have not identified material misstatement in the Strategic report or the Trustee's report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- proper and adequate accounting records have not been kept by the Charitable Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Charitable Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Charitable Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Charitable Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under the Companies Act 2006 and report in accordance with the Acts 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.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We enquired of management, and the Audit and Risk Committee, including obtaining and reviewing supporting documentation, concerning the company's policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
 - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company. These include, but are not limited to, compliance with the Companies Act 2006, UK GAAP, the Charities Act 2011 and tax legislation.

- We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to manipulate financial results and management bias in accounting estimates.

Audit response to risks identified

- we reviewed the financial statement disclosures and tested to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- we performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- we read minutes of meetings of those charged with governance, and reviewed correspondence with HMRC and serious incident reports filed with the Charity Regulators; and
- in addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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

Use of our report

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

DocuSigned by:

73D8B18FE9AC4C9...

Jill Halford (Senior Statutory Auditor)

For and on behalf of BDO LLP, statutory auditor

London, UK

Date 18 August 2022

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

5. STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)

		1 April 21 To 31 March 2022 £	1 April 20 To 31 March 2021 £
	Notes		
Incoming from			
Donations	3	199,954	204,046
Investments	4	562,308	572,961
Total		762,262	777,007
Expenditure on			
Raising Funds	5	218,781	216,622
Charitable Activities	6	1,349,137	1,848,854
Total		1,567,918	2,065,476
		(805,656)	(1,288,469)
Net Investment (Losses)/Gains			
Realised (Losses)/Gains on Investments	12	(73,866)	125,690
Unrealised Gains on Investments	12	2,005,211	4,793,875
Realised and Unrealised Gains on investments		1,931,345	4,919,565
Net gain and net movement in funds for the year	8	1,125,689	3,631,096
Reconciliation of funds			
Total Funds Brought Forward		26,335,236	22,704,140
Total Funds Carried Forward	8	27,460,925	26,335,236

The above fund is unrestricted. There were no other recognised gains and losses other than those stated above. All the above income and expenditure is derived from continuing activities.

6. BALANCE SHEET AT 31 MARCH 2022

Company number: 8077332

	<u>Notes</u>	At 31 March 2022	At 31 March 2021
		£	£
INVESTMENTS	12	26,147,646	26,377,723
CURRENT ASSETS			
Debtors	13	46,247	53,763
Short term deposits		931,701	316,871
Cash at bank		1,006,659	802,539
Total current assets		<u>1,984,607</u>	<u>1,173,173</u>
CURRENT LIABILITIES			
Creditors	14	<u>671,328</u>	<u>1,215,660</u>
NET CURRENT ASSETS/(LIABILITIES)		1,313,279	(42,487)
TOTAL NET ASSETS		<u>27,460,925</u>	<u>26,335,236</u>
The funds of the foundation:			
Surplus for the period		1,125,689	3,631,096
Unrestricted funds	8	26,335,236	22,704,140
Total Charity Funds		<u>27,460,925</u>	<u>26,335,236</u>

Approved by the Trustees and authorised for issue 17 August 2022 and signed on their behalf:



Chairman, Lord Browne of Madingley



Sir Jim McDonald

7. STATEMENTS OF CASH FLOWS

Year Ended 31 MARCH 2022

	2022 £	2021 £
Cash flows from operating activities:		
Net cash used in operating activities	(1,904,780)	(746,310)
Cash flows from investing activities:		
Dividends and interest from investments	562,308	572,961
Proceeds from sale of investments	4,793,456	2,521,146
Purchase of investments	(2,632,034)	(2,030,178)
Net Cash Inflow from Operating Activities	818,950	317,619
 Change in cash in the reporting period		
Cash at the beginning of the reporting period	1,119,410	801,791
Cash at the end of the reporting period	1,938,360	1,119,410
 Reconciliation of net expenditure to net cash flow from operating activities		
	£	£
Net income for the reporting period (as per statement of financial activities)	1,125,689	3,631,096
Adjustments for:		
Realised and Unrealised Gains on investments	(1,931,345)	(4,919,565)
Dividends and interest from investments	(562,308)	(572,961)
Decrease/(increase) in debtors	7,516	(12,995)
(Increase)/decrease in creditors	(544,332)	1,128,115
Net cash provided by (used in) operating activities	(1,904,780)	(746,310)
 Analysis of cash	£	£
Cash in hand	1,006,659	802,539
Notice deposits (less than three months)	931,701	316,871
Total cash	1,938,360	1,119,410

8. NOTES TO THE ACCOUNTS**FOR THE YEAR TO 31 MARCH 2022****1 ACCOUNTING POLICIES****Basis of Accounting**

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

Going Concern

The Queen Elizabeth Prize for Engineering Foundation derives its income from donations and investment income. Over the 2021/22 financial year the Foundation's managed investment funds have been maintained at a sufficient level to support the awarding of the Queen Elizabeth Prize for Engineering for many more cycles. Therefore, the Trustees believe that the Foundation will continue as a going concern for the foreseeable future and continues to adopt the going concern basis in preparing the financial statements.

Incoming Resources

- Income received by way of donations is included in full in the statement of financial activities when receivable.
- Dividend income and interest receivable is included in the statement of financial activities on an accruals basis.
- Donated services are recognised when the benefit to the charitable company is reasonably quantifiable. The value placed on these resources is the estimated value to the charitable company of the service received.

REPORT AND ACCOUNTS: FOR THE YEAR TO 31 MARCH 2022

Expenditure

Expenditure is recognised on an accruals basis. The cost of the QEPrize is recognised in the financial year in which it has been awarded. Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

Support Costs

Support costs are those functions that assist the work of the charity and mainly comprise of staff costs and overheads. These costs have been allocated between costs of raising funds and expenditure on charitable activities.

Investments

The portfolio is stated at bid-market value at the balance sheet date. Any unrealised and realised gain or loss on revaluation is taken to the Statement of Financial Activities.

Financial Instruments

The Foundation only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Cash at Bank

Cash at bank includes cash and short term highly liquid investments. Cash not required for working capital purposes is transferred to the investment portfolio.

Estimates and Judgements

In preparing these financial statements, the Trustees have not made any significant judgements or estimates.

2 SERVICE CHARGE

The Royal Academy of Engineering levied a service charge of £269,000 (2020/21 £202,055) on The Queen Elizabeth Prize for Engineering Foundation for the year ended 31 March 2022 in respect of the administration costs incurred on behalf of the Foundation.

REPORT AND ACCOUNTS: FOR THE YEAR TO 31 MARCH 2022

3 VOLUNTARY INCOME

	Year ended 31 March 2022	Year ended 31 March 2021
	£	£
Donations received	200,000	200,000
Other Income	(46)	4,046
	<u>199,954</u>	<u>204,046</u>

4 INVESTMENT INCOME

	Year ended 31 March 2022	Year ended 31 March 2021
	£	£
Investment income receivable	562,202	572,777
Interest receivable	106	184
	<u>562,308</u>	<u>572,961</u>

5 RAISING FUNDS

	Year ended 31 March 2022	Year ended 31 March 2021
	£	£
Support costs	105,081	114,884
Investment costs	113,700	101,738
	<u>218,781</u>	<u>216,622</u>

Included in support costs are £28,875 (2020/21 £37,867) of staff costs.

REPORT AND ACCOUNTS: FOR THE YEAR TO 31 MARCH 2022

6 CHARITABLE ACTIVITIES

	Year ended 31 March 2022	Year ended 31 March 2021
	£	£
Prize	500,000	1,000,000
Prize trophy	20,695	0
Award ceremony & events	99,421	74,608
Judging expenses	24,562	2,735
Publicity and communication	227,645	296,232
Support costs	454,750	457,567
Research and evaluation	0	0
Website costs	2,012	4,470
Other	16,377	725
Governance costs	3,675	12,517
	<u>1,349,137</u>	<u>1,848,854</u>

Included in support costs are £211,750 (2020/21 £277,693) of staff costs. Support costs are those functions that assist the work of the charity and mainly comprise of staff costs and overheads. These costs have been allocated between costs of raising funds and expenditure on charitable activities based on staff time.

7 STAFF COSTS

	Year ended 31 March 2022	Year ended 31 March 2021
	£	£
Wages and salaries	196,100	276,533
Social securities	20,922	30,326
Pension costs	24,177	33,906
Other	(573)	(25,205)
	<u>240,626</u>	<u>315,560</u>

The emoluments of higher paid staff within the following scales were:

	Number	Number
£60,000-£70,000	-	2
£70,001-£80,000	1	-

REPORT AND ACCOUNTS: FOR THE YEAR TO 31 MARCH 2022

The Royal Academy of Engineering employed seven staff members who were seconded to the QEPrize Foundation in the year. Two of the employees resigned during the year.

The senior management team consists of the Associate Director, Operations who manages the day-to-day operations of the charity. Their aggregate remuneration in the year was £85,011 (2020/21 £145,991). There were no appointments or resignations among the senior management team during the year (2020/21 one resignation).

8 FOUNDATION FUNDS – UNRESTRICTED

	2022 £	2021 £
	1 April 2021	1 April 2020
	To 31 March 2022	To 31 March 2021
Surplus for year to 31 March 2022	1,125,689	3,631,096
General Fund at 1 April 2021	26,335,236	22,704,140
Balance	<u>27,460,925</u>	<u>26,335,236</u>

9 TRUSTEES' EXPENSES

No trustee received any remuneration (2021 – nil).

10 CORPORATION TAXATION

The Foundation 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 objectives.

11 NET INCOME FOR THE YEAR

	2022 £	2021 £
	01-Apr-21	01-Apr-20
	To 31 March 2022	To 31 March 2021
Net income for the year are stated after charging audit fee for the year	<u>3,675</u>	<u>4,200</u>

REPORT AND ACCOUNTS: FOR THE YEAR TO 31 MARCH 2022

12 INVESTMENTS

	2022 General Fund £	2021 General Fund £
Market Value at 1 April	26,377,723	21,949,126
Add Acquisitions at Costs	2,632,034	2,030,178
Less Disposals at Book Value	(4,793,456)	(2,521,146)
Net Realised (Loss)/Gain on Revaluation at 31 March	(73,866)	125,690
Net Unrealised (Loss)/Gain on Revaluation at 31 March	2,005,211	4,793,875
	<u>26,147,646</u>	<u>26,377,723</u>

All investments consist of securities listed on the London Stock Exchange of which fixed interest bonds amount to approximately £2,404,101.

13 DEBTORS

	2022 £	2021 £
Accrued Income	44,103	49,028
Amounts due from parent company	529	4,241
Other Debtor	1,615	494
	<u>46,247</u>	<u>53,763</u>

14 CREDITORS

	2022 £	2021 £
Creditors	1,893	0
Amounts due to parent company	76,336	172,175
Accruals	593,099	1,043,485
	<u>671,328</u>	<u>1,215,660</u>

15 ULTIMATE CONTROLLING ENTITY

As its sole member, the trustees of the Queen Elizabeth Prize for Engineering Foundation consider The Royal Academy of Engineering to be the ultimate controlling entity. The Academy is a registered charity No. 293074. The registered office is 3 Carlton House Terrace, St. James's, London, SW1Y 5DG, UK.

REPORT AND ACCOUNTS: FOR THE YEAR TO 31 MARCH 2022

The Royal Academy of Engineering brings together the most successful and talented engineers from across the profession – its fellows - for a shared purpose: to advance and promote excellence in engineering for the benefit of society.

The QEPrize accounts have been consolidated within Academy's accounts and can be obtained from Academy's website (<http://www.raeng.org.uk/publications/strategy-and-finance>).

16 RELATED PARTY TRANSACTIONS

The QEPrize has the following transactions with controlling entity, The Royal Academy of Engineering:

	Year ended 31 March 2022	Year ended 31 March 2021
	£	£
Sales	-	-
Salary recharges	240,625	315,560
Management Fee	269,000	202,055

REPORT AND ACCOUNTS: FOR THE YEAR TO 31 MARCH 2022

Appendix I: QEPrize Panel Judges, 2021/22

Name	Job title	Country
Professor Sir Christopher Snowden FREng FRS	Chair of Judges Former Vice-Chancellor, University of Southampton	UK
Professor Jim Al-Khalili OBE FRS	Professor of Physics and Professor of Public Engagement in Science, University of Surrey	UK
Professor Mary Boyce	Dean of Engineering, The Fu Foundation School of Engineering and Applied Science, Columbia University	USA
Dr Jean-Lou Chameau	President, King Abdullah University of Science and Technology	Saudi Arabia
Professor Dame Lynn Gladden DBE FREng FRS	Shell Professor of Chemical Engineering, University of Cambridge	UK
Professor Carlos Henrique de Brito Cruz	Science Director, Saõ Paulo Research Foundation	Brazil
Professor Dr Dr hc Reinhard Huettl	Chairman of the Board & Scientific Director, German Research Centre for Geosciences	Germany
Professor Hiroshi Komiyama	President, Engineering Academy Japan	Japan
Professor Jinghai Li	President, National Natural Science Foundation of China	China
Ilya Marotta	Deputy Administrator, Panama Canal Authority	Panama
Dr Raghunath Mashelkar	National Research Professor, Chairman of the National Innovation Foundation and President of Global Research Alliance	India
Dr Dan Mote Jr	President Emeritus, U.S. National Academy of Engineering; Regents Professor, University of Maryland	USA
Professor Dr Dr hc Viola Vogel	Head of Laboratory of Applied Mechanobiology, ETH Zurich	Switzerland
Paul Westbury CBE FREng	Senior Vice President - Development & Construction, Strategy & Operations, The Madison Square Garden Company	UK
Dr Henry Yang	Professor of Mechanical Engineering and Chancellor, University of California, Santa Barbara	USA

REPORT AND ACCOUNTS: FOR THE YEAR TO 31 MARCH 2022

Appendix II: QEPrize Search Group

Name	Job Title	Country
<i>Professor Stephen Williamson FREng</i>	<i>Chair of search group Emeritus Professor, University of Surrey</i>	<i>UK</i>
<i>Professor Neil Alford FREng</i>	<i>Associate Provost (Academic Planning), Imperial College</i>	<i>UK</i>
<i>Professor Adisa Azapagic FREng</i>	<i>Professor of Sustainable Chemical Engineering and Head of Sustainable Industrial Systems, University of Manchester</i>	<i>UK</i>
<i>Professor John Clarkson FREng</i>	<i>Professor of Engineering Design, University of Cambridge</i>	<i>UK</i>
<i>Professor Roger Falconer FREng</i>	<i>Professor of Water Management, Cardiff University</i>	<i>UK</i>
<i>Dr Martin Grant FREng</i>	<i>Chief Executive Officer - Energy, WS Atkins</i>	<i>UK</i>
<i>Professor Guy Houlby FREng</i>	<i>Professor of Civil Engineering and former Head of the Department of Engineering Science, University of Oxford.</i>	<i>UK</i>
<i>Professor Joe McGeehan CBE FREng</i>	<i>Emeritus Professor of Communications Engineering, University of Bristol</i>	<i>UK</i>
<i>Professor Philip Nelson FREng</i>	<i>Chief Executive, Engineering and Physical Sciences Research Council; Professor of Acoustics, University of Southampton</i>	<i>UK</i>
<i>Professor Alison Noble OBE FREng</i>	<i>Technikos Professor of Biomedical Engineering and Director of Institute of Biomedical Engineering, University of Oxford</i>	<i>UK</i>
<i>Professor Ric Parker CBE FREng</i>	<i>Former Director of Research and Technology, Rolls-Royce (until April 2016)</i>	<i>UK</i>
<i>Professor Richard Penty FREng</i>	<i>Professor of Photonics, University of Cambridge; Master, Sidney Sussex College</i>	<i>UK</i>
<i>Professor Duc Pham</i>	<i>Chance Professor of Engineering and Director of Research, University of Birmingham</i>	<i>UK</i>

THE QUEEN ELIZABETH PRIZE FOR ENGINEERING FOUNDATION

England & Wales - Charity number 1147743

Accounts



Queen Elizabeth Prize
for Engineering

**REPORT AND ACCOUNTS: FOR THE YEAR TO 31 MARCH
2021**

THE QUEEN ELIZABETH PRIZE FOR ENGINEERING FOUNDATION

REPORT AND ACCOUNTS

1 April 2020 TO 31 March 2021

Charity Number: 1147743

Company Number: 8077332

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1. INTRODUCTION

The Queen Elizabeth Prize for Engineering (QEPrize) is dedicated to championing bold, groundbreaking innovation in engineering that helps humanity survive and thrive.

Promoting excellence in engineering the pre-eminent biennial prize of £1m salutes engineering's visionaries - individuals or team - with the added purpose of inspiring and exciting young creative minds to consider engineering as a discipline and career choice, whilst additionally encouraging existing practitioners to help push the boundaries of engineering.

Our planet and humanity face increasingly significant and complex challenges. Diverse, multifaceted and continually evolving, engineering helps discover solutions to those challenges - making the world we live in a better, more equitable, sustainable place.

Adding value to billions of lives, engineering has a living impact; medicines delivered to the body with precision by nano-scale devices, the world's biggest and greenest buildings, the pinpoint accuracy of surgical robots, development of the world wide web, GPS satellite tracking.....

Previous recipients of the QEPrize have been, in 2013: Robert Kahn, Vinton Cerf, Louis Pouzin, Marc Andreessen and Sir Tim Berners-Lee for the internet and worldwide web; in 2015: Dr Robert Langer for controlled release large molecule drug delivery; in 2017: Eric Fossum, George Smith, Nobukazu Teranishi and Michael Tompsett for digital imaging sensors; in 2019: Dr Bradford Parkinson, Professor James Spilker Jr, Hugo Fruehauf and Richard Schwartz for the global positioning system; and in 2021: Professor Isamu Akasaki, Professor Shuji Nakamura, Professor Nick Holonyak Jr, Dr M. George Craford and Professor Russell Dupuis for the creation and development of LED lighting.

FOREWARD – LORD BROWNE OF MADINGLEY***Chairman, Queen Elizabeth Prize for Engineering Foundation***

Engineering has never been more important. Diverse, multifaceted, and continually evolving, it creates the solutions to global challenges and improves billions of lives. The events of the pandemic have highlighted the vital role that engineering plays not only in safeguarding public health but in enabling the world to stay connected, facilitating essential business, family and social connections. There has never been a more appropriate time to celebrate engineering.

The challenges we face are both complex and pressing, and it will undoubtedly be engineers who solve them. This is an age of innovation. Engineers are creating new medicines and healthcare equipment; maintaining critical infrastructure for key workers and supply chains; and enhancing digital services to accommodate rapid changes to the way in which we learn, communicate, and do business.

The QEPrize exists to celebrate the critical role that engineering plays in society, as well as those who have changed the world through their engineering innovation. The Prize must keep pace with this age of innovation, and we recognise that it demands a new approach. As engineering and its place in society continue to evolve, so too must the Prize. We want to expand our horizons and do more to recognise the diversity of contemporary engineering.

It is for these reasons that The Queen Elizabeth Prize for Engineering has moved from a bi-annual to an annual cycle and will be awarded every year, celebrating the centrality of engineers to the story of human progress.

COVID-19 – EFFECTS & RESPONSE

This annual report begins with a summary of the risks that COVID-19 has posed to the Queen Elizabeth Prize for Engineering Foundation since March 2020 and the actions we have taken, and continue to take, to get through the pandemic.

Many of the Foundation's activities were able to continue, albeit with changes made to delivery models in many cases. In some cases, new activities were created in response to the challenges presented by COVID-19 which enabled us to continue work promoting engineering to young audiences.

Finance and operations

The COVID-19 outbreak and associated measures the government has put in place to tackle it have significantly affected the Foundation's ability to raise funds from corporate partners in the short-to-medium term. Since the impact of the outbreak in March 2020 our priorities have been to maintain existing valued relationships and to ensure we are strongly positioned to return to active fundraising.

The Foundation's managed investment funds continue to produce good returns and are sufficient to support the awarding of the QEPrize for many more cycles.

All Foundation staff have the ability and tools to work from home securely and the IT support and infrastructure provided by the Royal Academy of Engineering under the current Service Level Agreement has coped extremely well, making it a successful transition to a digital first model of working. Our priority in the decisions we have taken and the planning we have done is the safety of our staff and stakeholders.

Activities

The circumstances surrounding COVID-19 necessitated the rapid development of digital events knowledge and skills, and updates to all event planning processes. We have used engaging content, showcased through a range of digital and social media, to spotlight creativity in engineering and to encourage engagement with Prize activities.

We transitioned the QEPrize judging process to an online portal with great success and, as with many other moves of this kind, realised opportunities for future operations. The announcement event moved entirely online and enabled us to include in-depth interviews with the 2021 winners and with the judges of both the QEPrize and the Create the Trophy competition, as well as widening access to the event itself.

The activities of the QEPrize Ambassador network were also delivered online in their entirety, facilitating easier access for international members. A bespoke training course was designed, commissioned and delivered providing Ambassadors with specific skills to assist in providing engagement events to online audiences. These trained practitioners enabled the network to continue to engage with a variety of young people through events organised by schools and libraries.

The increase in the frequency of episodes of the Create the Future podcast and has worked to increase public awareness not only of the QEPrize but also to highlight the critical role played by engineering in modern life.

The Future

COVID-19 presents a major challenge to societies across the globe. Engineering has a key role to play in the response to the current crisis – this includes researchers seeking ways to deliver therapeutic equipment and effective vaccines, those maintaining the infrastructure that is enabling us to keep in safe contact with family, friends and colleagues, and the facilitation of supply chains to ensure we are able to distribute essential supplies.

The Foundation recognises that collaboration and innovation will play an essential role in tackling the pandemic and gives its full support to the whole engineering profession as we respond to the crisis together.

2. REPORT OF THE TRUSTEES

2.1 REFERENCE AND ADMINISTRATIVE DETAILS FOR THE CHARITY, ITS TRUSTEES AND ADVISORS

The Queen Elizabeth Prize for Engineering Foundation ('QEPrize Foundation') is a charitable company, registered as a charity with the Charity Commission with charity number: 1147743 and registered as a company with Companies House as company number 8077332.

The principal office of the QEPrize Foundation is 3 Carlton House Terrace, London SW1Y 5DG.

Chair of Trustees: Lord Browne of Madingley

Trustees: Mala Gaonkar, Professor John Hennessy, Anji Hunter, Professor Sir Jim McDonald, Sir Paul Nurse

The professional advisers to the QEPrize Foundation are as follows:

Legal advisers: Macfarlanes LLP of 20 Cursitor Street, London EC4A 1LT

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

Auditor: BDO LLP, 55 Baker Street, London W1U 7EU

Investment Advisers: Investec Wealth & Investment Limited, 2 Gresham Street, London EC2V 7QN

Jonathan Narbett, Associate Director, Operations of the Queen Elizabeth Prize for Engineering Foundation, Prince Philip House, 3 Carlton House Terrace, London SW1Y 5DG has been given authority to carry out day-to-day administrative functions on behalf of the Charity.

2.2. STRUCTURE, GOVERNANCE AND MANAGEMENT

The Queen Elizabeth Prize for Engineering Foundation is governed by the Articles of Association for a private company limited by guarantee. These were agreed by trustees on 21 May 2012 and amended by trustees on 4 March 2013. The sole member of the charitable company is the Royal Academy of Engineering.

The board of trustees of the charitable company consists at least two (and no more than six) nominated trustees, who are appointed by ordinary resolution or by a decision of the trustees and one Ex-Officio trustee who is holder of the office of the President of the Royal Academy of Engineering. All material decisions in relation to the Foundation are taken by the trustees.

Funding, in the form of donations, for the Foundation has been received from the following engineering companies: BAE Systems plc, BG Group, BP plc, GlaxoSmithKline, Hitachi, Ltd., Jaguar Land Rover, National Grid, Nissan Motor Company, Shell UK Ltd, Siemens UK, Sony Corporation, Tata Consultancy Services, Tata Steel Europe and Toshiba.

The current donor companies have, together, pledged donations of £27 million, of which £200,000 is scheduled for payment in one instalment due in the next financial year. The QEPrize funds are managed by the trustees of the Foundation.

The day-to-day administrative work of the charity is delegated by the trustees to the Associate Director, Operations of the QEPrize, based at the Prince Philip House, 3 Carlton House Terrace, London SW1Y 5DG. The Associate Director, Operations supports the trustees in delivering the objectives of the charitable company with an administrative team based at Prince Philip House.

The QEPrize administrative team during the year of this report is shown below.

QEPrize team at 31 March 2021

Title	Name	Appointed	Current post from
CEO	Hayaatun Sillem	Jan-21	Jan-21
Associate Director, Operations	Jonathan Narbett	Dec-14	Jan-21
Senior Programmes Manager	Cuong Dang	Oct-14	Oct-14
Digital Communications Manager	Imogen Ruddock	Jul-15	Oct-19
Ambassador Network Coordinator	Katie Leefe	Jan-18	Oct-19
Programmes Assistant	Daniel Thomas	Nov-19	Nov-19

Members of the QEPrize team who left during the year to 31 March 2021

Title	Name	Appointed	Resigned
Communications Manager	Ryan Gibson	May-18	Dec-20
Director	Keshini Navaratnam	Jan-15	Dec-20

2.3 OBJECTIVES AND ACTIVITIES FOR THE PUBLIC BENEFIT

2.3.1 Objectives

The objects of the Queen Elizabeth Prize for Engineering Foundation are, for the benefit of the public:

- To advance and promote engineering in the UK and around the world, including by promoting research in the field of engineering and the dissemination and application of the results of such research for the benefit of the public and by encouraging young people (and in particular young people in the United Kingdom) to aspire to a career in engineering; and
- to advance the education of the public in the subject of engineering by establishing, awarding and promoting a high-profile and internationally-recognised prize for engineering known as 'The Queen Elizabeth Prize for Engineering' and to be awarded to an individual or group of individuals responsible for a ground-breaking advance in engineering which has created significant international public benefit.

In determining the objectives of the Foundation and in planning its activities, the trustees have given due consideration to the Charity Commission's guidance on public benefit.

The objectives of the Foundation are to:

1. establish the QEPrize as the pre-eminent global prize for engineering innovation.
2. use the QEPrize to create a societal change in which engineering is widely recognised and valued.
3. use the QEPrize to change perceptions of engineering so that it is an aspirational career for all young people.

To deliver these objectives the Foundation employs the following strategies:

1. to grow the investment fund to a level which allows for the operation and awarding of the QEPrize to be sustained in perpetuity

2. to raise the profile of the QEPrize specifically and, by extension, engineering generally, through increased media coverage of QEPrize activities

2.3.2 Activities

The Foundation uses the QEPrize process (including the appointment of judges, the search for nominations, the award of the prize and the Create the Trophy competition) to raise the public profile of engineering and to engage young people and their influencers so that more young people choose engineering as a career.

The Foundation aims to influence and engage four target audiences, as below:

Audience	Our vision – what we want to achieve
Global Engineering Community	Awareness of and respect for the QEPrize
Global informed public	
UK informed public	- Awareness of and respect for the QEPrize - Engineers' contribution to humanity is recognised - Engineering is valued and respected
UK young people (10 to 24) (two elements: 10 - 16, 16+)	- Engineering is an aspirational career for all young people - More young people from all backgrounds become engineers

The Foundation uses the QEPrize to realize the vision for each audience as shown below, working through digital, social and traditional media and through the networks and profiles of the individuals involved in the QEPrize process.

Global engineering community	Informed public: global	Informed public: UK	UK young people
Peer-to-peer promotion & support for the QEPrize led by judges, winners, donor companies, young engineers & other stakeholders.	Working in partnership with QEPrize winners, judges, donors, young engineers & other stakeholders to raise the profile of the QEPrize via media and other channels. Rallying call for governments across the world to support and invest in engineering	Working in partnership with QEPrize winners, judges, donors, young engineers & other stakeholders to inform about the QEPrize, engineering & engineers via media and other channels – reaching outside the traditional engineering sphere	Influence the influencers of young people (the informed public) to promote interest in STEM generally & engineering specifically
Objective			
Establish the QEPrize as the pre-eminent global prize for engineering	Establish the QEPrize as the pre-eminent global prize for engineering	Raise the profile of the QEPrize, of engineering & of engineers	Inspire young people to consider a career in engineering

The achievements and performance of the QEPrize Foundation in the year from 1 April 2020 to 31 March 2021 are described in the next section.

2.4 STRATEGIC REPORT

2.4.1 Objectives & Achievements to 31 March 2021

The Announcement of the Winners of the 2021 Queen Elizabeth Prize for Engineering

As a result of the global public health pandemic the announcement of the winners of the 2021 Queen Elizabeth Prize for Engineering was made during an online presentation on 2 February.

The 2021 QEPrize was awarded for the creation and development of LED lighting, which forms the basis of all solid state lighting technology. Isamu Akasaki, Shuji Nakamura, Nick Holonyak Jr, M. George Craford and Russell Dupuis were recognised not only for the global impact of LED and solid state lighting but also for the tremendous contribution the technology has made, and will continue to make, to reducing energy consumption and addressing climate change.

The 2021 winners were revealed by Lord Browne of Madingley, Chairman of the Queen Elizabeth Prize for Engineering Foundation whilst HRH The Princess Royal shared a message of congratulation for the winners.

Solid state lighting technology has changed how we illuminate our world. It can be found everywhere from digital displays and computer screens to handheld laser pointers, automobile headlights and traffic lights. Today's high-performance LEDs are used in efficient solid state lighting products across the world and are contributing to the sustainable development of world economies by reducing energy consumption.

Visible LEDs are now a global industry predicted to be worth over \$108 billion by 2025 through low cost, high efficiency lighting. LED lighting is 75% more energy efficient than traditional incandescent and compact fluorescent bulbs and is playing a crucial role in reducing carbon dioxide emissions. LED bulbs last 25 times longer than incandescent bulbs and their large-scale

use reduces the energy demand required to cool buildings. For this, they are often referred to as the 'green revolution' within lighting.

Media Coverage

The announcement garnered an impressive array of top tier media coverage, including global broadcast and national media, key engineering trades, as well as US education and science titles. Flagship coverage included an interview with Lord Browne of Madingley on Sky News' Ian King Live, and also on Times Radio with John Pienaar.

The winners were featured on BBC World News, Newsnight, across the BBC online output and through BBC podcasts Newshour and the Global News Podcast. Winner Russel Dupuis was also interviewed for the Economist Babbage podcast.

The announcement also had a wide global reach, gaining coverage in 13 countries worldwide, with a particular presence in the Japanese media, where the winners were featured on global broadcaster, NHK as well in Japan's national publication, Nippon. In total, over 170 pieces of global coverage were secured, including 45 Japanese and 60 US pieces.

The QEPrize once again secured exceptional international media coverage during the period, further increasing global exposure compared to the previous prize cycle. News of the announcement reached a global audience of over 3 billion people, more than were reached during the announcement of the 2019 winners (2.45 billion). The media coverage continues to assist in raising the public profile of the QEPrize and in strengthening its reputation as the world's leading engineering prize.

Create the Trophy Competition

The announcement event also saw the winner of the 2021 Create the Trophy competition revealed.

The competition, open to those aged between 14 and 24 around the world, seeks innovative trophy designs to be presented to the winners of the QEPrize. The winning design was created

by design student Hannah Goldsmith, 20, from the UK. Hannah's winning design combined elegance and complexity, and drew inspiration from the circuit boards on which much engineering is done. Her design will be 3D printed and presented to each of the 2021 winners later in the year.

The competition saw entries received from almost 50 countries worldwide, with 40% of entries coming from women. The ten finalists were then selected for review by an expert panel of judges – designers and engineers led by Sir Ian Blatchford, Director and Chief Executive of the Science Museum Group. Joining him on the panel were structural engineer Roma Agrawal, designer Rebeca Ramos and Dr Zoe Laughlin, Co-founder and Director of the Institute of Making.

As an indication of the incredibly high standard of this year's entries, for the first time the judges made a Highly Commended award, recognising the work of 18-year-old Indian student Atharva Gai. Atharva's design impressed the judges with its careful and considered eye for detail and traditional manufacturing techniques.

QEPrize Ambassadors Network

The QEPrize Ambassador Network brings together the best and brightest early career engineers from all fields around the world, who work to inspire the next generation to follow in their footsteps. The network empowers young engineers by developing a range of transferable skills that enrich their professional and personal lives. It gives them the opportunity to learn from business leaders and other network members, and it provides a platform for them to collaborate internationally.

Membership:

In the last 12 months the Ambassador Network has gained 50 new members, bringing the total membership to 181. The number of countries represented has also increased to 17, including: Azerbaijan, Iran, Uganda, Nigeria, Germany, Malaysia and the Philippines. The gender split between members remains approximately 60:40 female to male.

The Ambassador Network has also expanded its Ambassador Council, adding our first internationally based members, both living in India.

Outreach Activities

The Network has continued to lead in outreach and awareness-raising about engineering, careers and the QEPrize itself. Event highlights include:

- 'Ask and engineer' interactive Q&A event with the City of London Girls School, City of London School and two other partner primary schools, hosted by QEPrize Ambassador Speaker Stephen Maughan and delving into the wonders of microscopes and glow-in-the-dark bacteria! The Speakers will be continuing to work with the CLS schools, catering to students from years 10-13.
- Partnership with Change Now, an affiliate of Leonard Cheshire Disability, to contribute to their series of Employer Encounters, designed to give workplace insights to school leavers with a range of disabilities.
- International Women in Engineering Day 2021 Video Campaign – Ambassadors from across the world contributed video submissions to celebrate their modern engineering heroes as part of the QEPrize's campaign.

Network members also represented the Prize, including Titi Oliyide as compere for Bradford Science Museum Film & Panel for Black History Month, and Larissa Suzuki as a member of the Royal Academy of Engineering Diversity and Inclusion Committee.

Collaboration with the QEPrize Cycle

As the Prize moved into an annual cycle and approaches its tenth anniversary in 2023 five Ambassadors joined the Search and Nominations Committee which is now made up of both Fellows of the Royal Academy of Engineering and members of the QEPrize Ambassador Network.

Ambassador members have been instrumental in helping to evaluate existing nominations, consider new submissions made by members of the public and to make recommendations for underrepresented areas and nominees.

Engaging target audiences

The table below summarises the QEPrize activity and impact with target audiences:

<i>Audience</i>	<i>Objective</i>	<i>Activity and impact</i>
Global Engineering community and informed public	Establish the QEPrize as the pre-eminent global prize for engineering	• Global media coverage of the 2021 QEPrize winner announcement reached over 3 billion people • Bespoke content produced by the prize and distributed across its channels • Interviews, articles, and podcasts across, the international BBC network, and international media outlets • Judges, Winners, Search Group members, and global leaders in engineering are engaged and supportive
Informed public, UK	Raise the profile of the QEPrize and of engineering	• Media coverage of the 2021 QEPrize Winner Announcement • <i>Create the Future</i> podcast developed
UK young people	Inspire young people to consider a career in engineering	• Continued increase in social media following and engagement with QEPrize website • Engineering resource library created for students unable to attend school due to the Covid-19 pandemic • Members of the Engineering Ambassadors Network trained specifically to deliver online engagement events to promote both the QEPrize and engineering generally

2.4.2 Financial Review

The total income for the year was £777,007 (2019/20 £909,900), of which £200,000 (2019/20 £200,000) was donations. Cost of generating funds was £216,622. Expenditure on charitable activities was £1,848,854 of which £1 million was QEPrize awarded in February 2021.

Carrying value of net assets was £26,335,236. The value of QEPrize investment portfolio increased by £4,428,594 with net investment gains being £4,919,565. Investments were valued at £26,377,718 (2020: £21,949,124). The increase is due to the positive market reactions to the promise of widespread vaccinations and growing expectations for the pent-up demand to be unleashed upon broader reopening of the economies.

The overall investment objectives are to create both income and capital growth such that the real capital value of the portfolio is maintained over the long-term thus allowing the prize to be awarded in perpetuity. The portfolio is managed on a total return basis with a medium risk profile. The QEPrize ensures that portfolio performance is measured against a customised benchmark. The investments are maintained with the long-term investment time horizon of over 10 years.

The QEPrize does not invest in organisations which conflict with charity's purpose. The trustees do not wish to invest in companies or funds that derive their income from the sale or manufacture of tobacco products. No initial investment to exceed 10% of the value of the fund. Bonds held will "BBB" or better classification.

Going Concern Policy (No material uncertainty)

No material uncertainties that may cast significant doubt about the ability of the charity to continue as a going concern have been identified by the Trustees and therefore these accounts have been prepared on a going concern basis.

The coronavirus pandemic has had an impact on the Foundation in as much as it has necessitated a change in working environments and has prevented any in-person events. This has been mitigated by increasing focus on our well-established social media output. Our ability to swiftly bring offline

activities online has ensured that stakeholder engagement remains high and that the key messages of the Foundation are widely disseminated.

The Foundation's senior management team monitor the cash position on a monthly basis by looking at the cash flow forecast for the next twelve months, broken down by month. This forecast, combined with an assessment of the future reserves position, forms the basis of our assessment of going concern. It has been stress tested to reflect several possible scenarios regarding the coronavirus pandemic and its impact on the wider economy, including using reverse stress testing. In doing so, we have particularly considered the impact of a global economic recession that negatively impacts on the Foundation's ability raise further significant funds.

Based on these forecasts, we believe that the going concern basis of accounting remains appropriate for our accounts. We have also considered whether there is any material uncertainty that may cast significant doubt over the use of that basis for a period of at least 12 months from the date of approval of the financial statements and we do not believe that this is the case.

Over the 2020/21 financial year the Foundation's managed investment funds have exceeded the levels of December 2019 and are sufficient to support the awarding of the Queen Elizabeth Prize for Engineering for many more cycles.

2.4.3 Plans for future years

The objectives for the next QEPrize cycle are as follows:

- To transition to the award of the QEPrize on an annual basis and to mark the **announcement of the winner(s) of the 2022 Queen Elizabeth Prize for Engineering** with a programme of events designed to engage not only existing stakeholders but also a wider audience (measured via attendance monitoring and satisfaction surveys)
- To recognise the **diversity of the modern engineering profession** by working to widen the pool of prize nominations, through the work of the Ambassador Network and via our communications channels
- To continue to **raise the profile of the QEPrize** successfully throughout the world and to firmly establish the prize as the equivalent of a Nobel Prize for engineers and engineering. The QEPrize team is working with its existing donor companies, members of the judging

and search group panels and representatives of international governments to continue the work carried out during previous prize cycles. We will amplify the work of the QEPrize across social media channels and via the Create the Future podcast.

- To continue to use the QEPrize to **raise the public profile of engineering** in the UK and to inspire a generation of young people to consider engineering as a career, through the work of the Ambassador Network, engagement with the Create the Trophy competition and across our communications channels.

The QEPrize team will work on external events, public health restrictions permitting, promoting both the QEPrize and engineering in general at home and internationally.

The development of the QEPrize's digital platforms and podcast programme will continue, recognising their strategic importance in spreading the Foundation's messages amongst a global audience.

Appendices:

Appendix I: QEPrize Judges 2020/21

Appendix II: QEPrize Search Group 2020/21

2.4.4 Reserves

Total QEPrize funds at 31 March 2021 increased by £3.6m to £26.3m, due to increased investment income. QEPrize investments are held in a managed investment fund to provide long term real growth, cash and liquidity.

The QEPrize should maintain a minimum level of free reserves of £20m. The free reserves should not exceed a maximum level of £40m. The QEPrize holds free reserves so that it can fund the QEPrize in perpetuity.

Total free reserves as at 31 March 2021 were £26.3m of which £26.3m held as investment. The difference between total free reserves and investments was £42k. Cash at bank and short-term deposits totaled £1.1m. The trustees have established operating reserves policy to maintain a target level of reserves at £1.5m representing as contingency operating costs for approximately eighteen months.

2.4.5 Principal Risks and uncertainties

The three principal risks to the charity, along with the main mitigations and contingencies, are listed below.

- **The QEPrize fund is not sufficient to sustain the prize in perpetuity.** The trustees have established an investment strategy to maximise returns from the donations, and a business plan to secure additional donations. At current trajectory the investment fund provides for the continuation of the prize over many more prize cycles.
- **The QEPrize has a low or poor profile with the global engineering community, compromising the credibility of the QEPrize and then therefore its effectiveness as communications tool.** The global engineering community have been actively engaged in the QEPrize from the beginning in judging and in the global search for nominations. The global networks of the QEPrize, its Trustees, stakeholders and governments are informed, engaged and supportive of the prize. International media interest in the prize has been cultivated to ensure that its profile has grown significantly enabling it to reach a widespread global audience and establish itself as the world's most prestigious prize in engineering
- **Public awareness of the QEPrize in the UK is low or poor, compromising its effectiveness as a communications tool.** A global PR agency – Edelman – works closely with the QEPrize team to advise and direct activities to ensure maximum PR benefit is secured from the prize process wherever possible. The media reach and communications impact of the QEPrize are tracked and monitored by audience.

Risk Management

The trustees maintain a register of all major risks to which the charitable company is exposed and a list of the systems and procedures in place to manage or mitigate those risks. These are recorded in the form of a risk register. The executive team meets quarterly with trustees to review activity, agree priorities and manage risks. The trustees confirm that the major risk to which the charitable company is exposed is not being self-sustainable for future charitable activities.

Charity Governance Code

The Board of Trustees adopted in full the Charity Governance Code for smaller charities in January 2020.

2.4.6 Remuneration policy

The QEPrize policy is to pay staff salaries at the market mid-point. Salaries are reviewed in alternate years following a market benchmarking exercise conducted by independent consultancy. The next review will be effective from 1 April 2022.

In setting appropriate levels of senior management pay, the QEPrize considered the skills, experience and competencies required for each role, and the remuneration level for those roles in sectors where suitable candidates would be found.

2.4.7 Auditor

BDO LLP was reappointed auditor during the year.

Disclosure of information to auditor

In the case of each of the persons who are Trustees of the charitable company at the date when this report was approved:

- so far as each of the Trustees is aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- each of the Trustees has taken all the steps that he/she ought to have taken as a Trustee to make himself/herself aware of any relevant audit information (as defined) and to establish that the charity's auditor is aware of that information.

Approved by the Trustees on 20 September 2021 and signed on their behalf by:



Chairman, Lord Browne of Madingley



Professor Sir Jim McDonald FREng FRSE

3. STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees are responsible for preparing the trustees' annual 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. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including its income and expenditure, of the charitable company for the year. In preparing those financial statements the trustees are required to:

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

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the requirements of 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.

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

4. INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF THE QUEEN ELIZABETH PRIZE FOR ENGINEERING FOUNDATION

Opinion on the financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the Charitable Company's affairs as at 31 March 2021 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of The Queen Elizabeth Prize for Engineering Foundation ("the Charitable Company") for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remain independent of the Charitable Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions related to going concern

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

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

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

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Report of the Trustees, other than the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Other Companies Act 2006 reporting

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

- the information given in the Report of the Trustees', prepared for the purposes of Company Law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees' have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Charitable Company and its environment obtained in the course of the audit, we have not identified material misstatement in the Strategic report or the Trustee's report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion;

- proper and adequate accounting records have not been kept by the Charitable Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Charitable Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Charitable Company's ability to continue as a going concern, disclosing, as applicable, matters related to going

concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Charitable Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under the Companies Act 2006 and report in accordance with the Acts 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.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We enquired of management, and the Audit and Risk Committee, including obtaining and reviewing supporting documentation, concerning the company's policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
 - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company. These include, but are not limited to, compliance with the Companies Act 2006, UK GAAP, the Charities Act 2011 and tax legislation.
- We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to manipulate financial results and management bias in accounting estimates.

Audit response to risks identified

- We reviewed the financial statement disclosures and tested to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- We read minutes of meetings of those charged with governance, and reviewed correspondence with HMRC and serious incident reports filed with the Charity Regulators; and
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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

Use of our report

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

DocuSigned by:

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Jill Halford (Senior Statutory Auditor)

For and on behalf of BDO LLP, statutory auditor

London, UK

Date 22 September 2021

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

5. STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)

		1 April 20 To 31 March 2021 £	1 April 19 To 31 March 2020 £
	Notes		
Incoming from			
Donations	3	204,046	200,000
Investments	4	572,961	709,900
Total		777,007	909,900
Expenditure on			
Raising Funds	5	216,622	234,085
Charitable Activities	6	1,848,854	795,358
Total		2,065,476	1,029,443
		(1,288,469)	(119,543)
Net Investment Gains/(Losses)			
Realised Gains/(Losses) on Investments	11	125,689	(23,440)
Unrealised Gains/(Losses) on Investments	11	4,793,876	(1,955,093)
Realised and Unrealised Gains/(Losses) on investments		4,919,565	(1,978,533)
Net loss and net movement in funds for the year	10	3,631,096	(2,098,076)
Reconciliation of funds			
Total Funds Brought Forward		22,704,140	24,802,216
Total Funds Carried Forward	8	26,335,236	22,704,140

The above fund is unrestricted. There were no other recognised gains and losses other than those stated above. All the above income and expenditure is derived from continuing activities.

6. BALANCE SHEET AT 31 MARCH 2021

Company number: 8077332

	<u>Notes</u>	At 31 March 2021	At 31 March 2020
		£	£
INVESTMENTS	11	26,377,718	21,949,124
	PY		
CURRENT ASSETS			
Debtors	12	53,763	40,768
Cash at bank		802,544	436,202
Short term deposits		316,871	365,589
Total current assets		1,173,178	842,559
CURRENT LIABILITIES			
Creditors	13	1,215,660	87,543
NET CURRENT ASSETS		(42,482)	755,016
TOTAL NET ASSETS		26,335,236	22,704,140
The funds of the foundation:			
Surplus/(Loss) for the period		3,631,096	(2,098,076)
Unrestricted funds	8	22,704,140	24,802,216
Total Charity Funds		26,335,236	22,704,140

Approved by the Trustees and authorised for issue on 20 September 2021 and signed on their behalf:



Chairman, Lord Browne of Madingley



Professor Sir Jim McDonald FREng FRSE

7. STATEMENTS OF CASH FLOWS

Year Ended 31 MARCH 2021

	2021 £	2020 £
Cash flows from operating activities:		
Net cash used in operating activities	(746,308)	(1,151,600)
Cash flows from investing activities:		
Dividends and interest from investments	572,961	709,900
Proceeds from sale of investments	2,521,146	2,173,598
Purchase of investments	(2,030,175)	(1,444,247)
Net Cash Inflow from Operating Activities	317,624	287,651
<i>Change in cash in the reporting period</i>		
Cash at the beginning of the reporting period	801,791	514,140
<i>Cash at the end of the reporting period</i>	1,119,415	801,791
Reconciliation of net income/(expenditure) to net cash flow from operating activities		
	£	£
Net (expenditure) / income for the reporting period (as per statement of financial activities)	3,631,096	(2,098,076)
Adjustments for:		
Realised and Unrealised Gains on investments	(4,919,565)	1,978,533
Dividends and interest from investments	(572,961)	(709,900)
Decrease/(increase) in debtors	(12,995)	(5,506)
Increase/(decrease) in creditors	1,128,117	(316,651)
Net cash provided by (used in) operating activities	(746,308)	(1,151,600)
Analysis of cash	£	£
Cash in hand	802,544	436,202
Notice deposits (less than three months)	316,871	365,589
Total cash	1,119,415	801,791

8. NOTES TO THE ACCOUNTS

FOR THE YEAR TO 31 MARCH 2021

1 ACCOUNTING POLICIES

Basis of Accounting

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

Going Concern

The Queen Elizabeth Prize for Engineering Foundation derives its income from donations and investment income. Over the 2020/21 financial year the Foundation's managed investment funds have exceeded the levels of December 2019 and are sufficient to support the awarding of the Queen Elizabeth Prize for Engineering for many more cycles. Therefore, the Trustees believe that the Foundation will have sufficient funds to weather the impact of COVID-19 and continue as a going concern for the foreseeable future and continues to adopt the going concern basis in preparing the financial statements.

Incoming Resources

- Income received by way of donations is included in full in the statement of financial activities when receivable.
- Dividend income and interest receivable is included in the statement of financial activities on an accruals basis.
- Donated services are recognised when the benefit to the charitable company is reasonably quantifiable. The value placed on these resources is the estimated value to the charitable company of the service received.

REPORT AND ACCOUNTS: FOR THE YEAR TO 31 MARCH 2020

Expenditure

Expenditure is recognised on an accruals basis. The cost of the QEPrize is recognised in the financial year in which it has been awarded. Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

Support Costs

Support costs are those functions that assist the work of the charity and mainly comprise of staff costs and overheads. These costs have been allocated between costs of raising funds and expenditure on charitable activities.

Investments

The portfolio is stated at bid-market value at the balance sheet date. Any unrealised and realised gain or loss on revaluation is taken to the Statement of Financial Activities.

Financial Instruments

The Foundation only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Cash at Bank

Cash at bank includes cash and short term highly liquid investments. Cash not required for working capital purposes is transferred to the investment portfolio.

Estimates and Judgements

In preparing these financial statements, the Trustees have not made any significant judgements or estimates.

2 SERVICE CHARGE

The Royal Academy of Engineering levied a service charge of £202,055 (2019/20 £182,709) on The Queen Elizabeth Prize for Engineering Foundation for the year ended 31 March 2021 in respect of the administration costs incurred on behalf of the Foundation.

REPORT AND ACCOUNTS: FOR THE YEAR TO 31 MARCH 2020

3 VOLUNTARY INCOME

	Year ended 31 March 2021	Year ended 31 March 2020
	£	£
Donations received	200,000	200,000
Other Income	4,046	-
	<u>204,046</u>	<u>200,000</u>

4 INVESTMENT INCOME

	Year ended 31 March 2021	Year ended 31 March 2020
	£	£
Investment income receivable	572,777	708,297
Interest receivable	184	1,603
	<u>572,961</u>	<u>709,900</u>

5 RAISING FUNDS

	Year ended 31 March 2021	Year ended 31 March 2020
	£	£
Support costs	114,884	130,735
Investment costs	101,738	103,350
	<u>216,622</u>	<u>234,085</u>

Included in support costs are £37,867 (2019/20 £38,190) of staff costs.

REPORT AND ACCOUNTS: FOR THE YEAR TO 31 MARCH 2020

6 CHARITABLE ACTIVITIES

	Year ended 31 March 2021	Year ended 31 March 2020
	£	£
Prize	1,000,000	6,571
Prize trophy	0	27,998
Award ceremony & events	74,608	58,485
Judging expenses	2,735	56,647
Publicity and communication	296,232	184,721
Support costs	457,567	445,743
Website costs	4,470	1,718
Other	725	5,966
Governance costs	12,517	7,509
	<u>1,848,854</u>	<u>795,358</u>

Included in support costs are £277,693 (2019/20 £280,056) of staff costs. Support costs are those functions that assist the work of the charity and mainly comprise of staff costs and overheads.

These costs have been allocated between costs of raising funds and expenditure on charitable activities based on staff time.

Included in governance costs are fees relating to audit services of £4,200 (2020 - £3,840)

7 STAFF COSTS

	Year ended 31 March 2021	Year ended 31 March 2020
	£	£
Wages and salaries	276,533	286,441
Social securities	30,326	31,385
Pension costs	33,906	36,490
Other	(25,205)	(36,070)
	<u>315,560</u>	<u>318,246</u>

The emoluments of higher paid staff within the following scales were:

	Number	Number
£60,000-£70,000	2	1
£90,001-£100,000	-	1

REPORT AND ACCOUNTS: FOR THE YEAR TO 31 MARCH 2020

The Royal Academy of Engineering employed seven staff members who were seconded to the QEPrize Foundation in the year. The senior management team comprised of Director and Associate Director, Operations who managed the day to day operations of the charity. Their aggregated remuneration in the year was £145,991 (2019/20 - £162,436). There was one resignation and one appointment among the senior management team during the year.

8 FOUNDATION FUNDS – UNRESTRICTED

	2021 £	2020 £
	1 April 2020	1 April 2019
	To 31 March 2021	To 31 March 2020
Surplus/(Loss) for year to 31 March 2021	3,631,096	(2,098,076)
General Fund at 1 April 2021	22,704,140	24,802,216
Balance	26,335,236	22,704,140

9 TRUSTEES' EXPENSES

No trustee received any remuneration (2020 – nil). One trustee received £3,511 reimbursement of expenses.

10 CORPORATION TAXATION

The Foundation 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 objectives.

11 NET INCOME FOR THE YEAR

	2021 £	2020 £
	01-Apr-20	01-Apr-19
	To 31 March 2021	To 31 March 2020
Net income for the year are stated after charging audit fee for the year	4,200	3,840

REPORT AND ACCOUNTS: FOR THE YEAR TO 31 MARCH 2020

12 INVESTMENTS

	2021 General Fund £	2020 General Fund £
Market Value at 1 April	21,949,126	24,657,009
Add Acquisitions at Costs	2,030,175	1,444,247
Less Disposals at Book Value	(2,521,146)	(2,173,598)
Net Realised (Loss)/Gain on Revaluation at 31 March	125,690	(23,439)
Net Unrealised (Loss)/Gain on Revaluation at 31 March	4,793,873	(1,955,095)
Market Value at 31 March	<u>26,377,718</u>	<u>21,949,124</u>

All investments consist of securities listed on the London Stock Exchange of which fixed interest bonds amount to approximately £3,233,913

13 DEBTORS

	2021 £	2020 £
Accrued Income	49,028	38,332
Amounts due from parent company	4,241	839
Other Debtor	494	1,597
	<u>53,763</u>	<u>40,768</u>

14 CREDITORS

	2021 £	2020 £
Creditors	-	-
Amounts due to parent company	172,175	38,158
Accruals	1,043,485	49,385
	<u>1,215,660</u>	<u>87,543</u>

15 ULTIMATE CONTROLLING ENTITY

As its sole member, the trustees of the Queen Elizabeth Prize for Engineering Foundation consider The Royal Academy of Engineering to be the ultimate controlling entity. The Academy is a registered charity No. 293074. The registered office is 3 Carlton House Terrace, St. James's, London, SW1Y 5DG, UK.

The Royal Academy of Engineering brings together the most successful and talented engineers from across the profession – its fellows - for a shared purpose: to advance and promote excellence in engineering for the benefit of society.

The QEPrize accounts have been consolidated within Academy's accounts and can be obtained from Academy's website (<http://www.raeng.org.uk/publications/strategy-and-finance>).

16 RELATED PARTY TRANSACTIONS

The QEPrize has the following transactions with controlling entity, The Royal Academy of Engineering:

	Year ended 31 March 2021	Year ended 31 March 2020
	£	£
Sales	-	-
Salary recharges	315,560	318,246

REPORT AND ACCOUNTS: FOR THE YEAR TO 31 MARCH 2020

Appendix I: QEPrize Panel Judges, 2020/21

Name	Job title	
Professor Sir Christopher Snowden FREng FRS	Chair of Judges Former Vice-Chancellor, University of Southampton	UK
Professor Jim Al-Khalili OBE FRS	Professor of Physics and Professor of Public Engagement in Science, University of Surrey	UK
Professor Mary Boyce	Dean of Engineering, The Fu Foundation School of Engineering and Applied Science, Columbia University	USA
Dr Jean-Lou Chameau	President, King Abdullah University of Science and Technology	Saudi Arabia
Professor Dame Lynn Gladden DBE FREng FRS	Shell Professor of Chemical Engineering, University of Cambridge	UK
Professor Carlos Henrique de Brito Cruz	Science Director, Saõ Paulo Research Foundation	Brazil
Professor Dr Dr hc Reinhard Huettl	Chairman of the Board & Scientific Director, German Research Centre for Geosciences	Germany
Professor Hiroshi Komiyama	President, Engineering Academy Japan	Japan
Professor Jinghai Li	President, National Natural Science Foundation of China	China
Ilya Marotta	Deputy Administrator, Panama Canal Authority	Panama
Dr Raghunath Mashelkar	National Research Professor, Chairman of the National Innovation Foundation and President of Global Research Alliance	India
Dr Dan Mote Jr	President Emeritus, U.S. National Academy of Engineering; Regents Professor, University of Maryland	USA
Professor Dr Dr hc Viola Vogel	Head of Laboratory of Applied Mechanobiology, ETH Zurich	Switzerland
Paul Westbury CBE FREng	Senior Vice President - Development & Construction, Strategy & Operations, The Madison Square Garden Company	UK
Dr Henry Yang	Professor of Mechanical Engineering and Chancellor, University of California, Santa Barbara	USA

REPORT AND ACCOUNTS: FOR THE YEAR TO 31 MARCH 2020

Appendix II: QEPrize Search Group

<i>Name</i>	<i>Job Title</i>	
<i>Professor Stephen Williamson FREng</i>	<i>Chair of search group Emeritus Professor, University of Surrey</i>	<i>UK</i>
<i>Professor Neil Alford FREng</i>	<i>Associate Provost (Academic Planning), Imperial College</i>	<i>UK</i>
<i>Professor Adisa Azapagic FREng</i>	<i>Professor of Sustainable Chemical Engineering and Head of Sustainable Industrial Systems, University of Manchester</i>	<i>UK</i>
<i>Professor John Clarkson FREng</i>	<i>Professor of Engineering Design, University of Cambridge</i>	<i>UK</i>
<i>Professor Roger Falconer FREng</i>	<i>Professor of Water Management, Cardiff University</i>	<i>UK</i>
<i>Dr Martin Grant FREng</i>	<i>Chief Executive Officer - Energy, WS Atkins</i>	<i>UK</i>
<i>Professor Guy Houlby FREng</i>	<i>Professor of Civil Engineering and former Head of the Department of Engineering Science, University of Oxford.</i>	<i>UK</i>
<i>Professor Joe McGeehan CBE FREng</i>	<i>Emeritus Professor of Communications Engineering, University of Bristol</i>	<i>UK</i>
<i>Professor Philip Nelson FREng</i>	<i>Chief Executive, Engineering and Physical Sciences Research Council; Professor of Acoustics, University of Southampton</i>	<i>UK</i>
<i>Professor Alison Noble OBE FREng</i>	<i>Technikos Professor of Biomedical Engineering and Director of Institute of Biomedical Engineering, University of Oxford</i>	<i>UK</i>
<i>Professor Ric Parker CBE FREng</i>	<i>Former Director of Research and Technology, Rolls-Royce (until April 2016)</i>	<i>UK</i>
<i>Professor Richard Penty FREng</i>	<i>Professor of Photonics, University of Cambridge; Master, Sidney Sussex College</i>	<i>UK</i>
<i>Professor Duc Pham</i>	<i>Chance Professor of Engineering and Director of Research, University of Birmingham</i>	<i>UK</i>