



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 Condon

BC8C15A11E97446
Fiona Condon (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 Houlsby	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