



Engineering Council

Registered Charity No 286142

Annual Report and Financial Accounts 2024

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Foreword

The Engineering Council exists to strengthen public confidence in engineering. Established by Royal Charter, our regulation of the engineering profession maintains and develops trustworthy engineering practice that keeps people safe and supports responsible social and economic development.

We set the Standards for the competence and commitment engineering professionals should demonstrate and hold the Register of those who have shown they are upholding these Standards. In this way, registration provides a benchmark that allows the public to have confidence and trust in the engineering profession.

We also set the education standards for programmes that provide the underpinning knowledge and understanding required to practise engineering, as well as setting standards for professional development.

This is made possible by the ongoing commitment of the entire professional engineering community, supported by academics, employers and the professional engineering institutions we license to assess individuals for professional registration and recognise programmes of learning and development.

Right now there are 220,000 people registered as Chartered Engineers, Incorporated Engineers, Engineering Technicians or ICT Technicians. Our challenge is to work in partnership with professional engineering institutions not only to grow the size and diversity of this registrant population but to keep developing our Standards to maintain trust in a changing profession.

Through a well-regulated and globally responsible engineering profession we will enable people and planet to flourish in the face of the climate crisis and rapid social and technological change.

Vision:

That society continues to have confidence and trust in the engineering profession.

Mission:

To maintain internationally recognised standards of competence and commitment for the engineering profession and to license competent institutions to champion the standards for the deliverance of public benefit.

Charitable Object

To advance education in, and to promote the science and practice of, engineering (including relevant technology) for the public benefit and thereby to promote industry and commerce.

The primary public benefit of our regulatory activity is trustworthy engineering practice that keeps people safe and supports responsible social and economic development.

This is delivered through our core regulatory products and services:

- **Our Standards**
 - Standards setting out the competence and commitment that all engineering professionals should demonstrate to provide assurance of trustworthy practice.
 - Standards relating to the recognition of learning and development programmes that help the formation of competent, committed engineering professionals.
- **Professional registration** of the engineers and technicians who have demonstrated competence and commitment against our Standards.
- **Licensing** of professional engineering institutions to assess individuals for professional registration or recognise programmes of learning and development.

Statement from the Chair and CEO

For the Engineering Council, 2024 has been an eventful year, and as we enter the last stage of our current 2025 Strategy: *Advancing Regulation*, we look forward to the challenges and opportunities that lie ahead of us.

Two landmark achievements were reached for the organisation this year. Firstly, the signing in August of our Mutual Recognition Agreement (MRA) with the USA's National Council of Examiners for Engineering and Surveying (NCEES), an agreement that establishes a streamlined process for recognising professional engineering qualifications between the UK and the USA, ensuring that engineers can practise across borders with greater ease and without compromising on professional standards.

Secondly, we received the formal approval from the Privy Council to create a Higher-Risk Buildings (HRB) Register for engineers and technicians working in the built environment sector, who have been assessed against the new UK Standard for Professional Engineering Competence and Commitment Contextualised for Higher-Risk Buildings (UK-SPEC HRB). Five Professional Engineering Institutions (PEIs) have been licensed to assess applicants for entry to the HRB Register with the first applications now completed. This achievement is testament to the way the professional engineering community and the staff at the Engineering Council have pulled together to deliver a key recommendation from the Grenfell Tower report. We remain committed to promoting competence and behaviours to prevent this type of tragedy happening again.

Internally, the new structure of the Engineering Council team took shape with the appointment of a new Head of Data & Comms with responsibility for our IT, Registration, and Marketing and Communication activities. Bringing these functions together has provided a key point of focus for our work in using data to inform both the profession's wider work and our own efforts to promote registration, including how we can inform the debate on EDI.

Our staff remain one of the Engineering Council's most important stakeholders and we are pleased to continue supporting them fairly and transparently through important new policies including on flexible working, recruitment and remuneration. We were pleased to see our efforts recognised at the end of 2024 through our award of the Health at Work Workplace Wellbeing Charter.

The development of relationships with key stakeholders progressed at pace and we were pleased to be able to join the UK Accreditation Service (UKAS) as a guarantor member. This presents an opportunity for the Engineering Council to support UKAS in the delivery of their strategic priorities.

In our charitable role, we continue to support and guide engineers and technicians, whether registered or not, on important key areas such as ethics, sustainability and equality, diversity & inclusion (EDI). This is both through setting down requirements in UK Standard for Professional Engineering Competence and Commitment (UK-SPEC), and through the publication of guidance for the whole engineering community. We were pleased to reinstate our work to support refugee engineers into employment and we look forward to matching those individuals with mentors and direct job opportunities.

Ensuring our Standards serve the public good remains central to the Engineering Council's mission. To support this goal, we continuously refine our policies and procedures to keep them relevant and effective. We take pride in maintaining our ISO 9001:2015 certification, which reflects the quality of our core regulatory functions—particularly in registration and licensing—essential to upholding the integrity of our Register.

Looking ahead, we are preparing a new website for launch in 2025 and we will continue to redevelop our **mycareerpath®** professional development system.

Several key projects progressed during 2024 including our Registration Review, and we look forward to seeing what arises from the engagement phase in early 2025. This is a very important activity for both the Engineering Council and the profession in general as we look to ensure our products and services remain relevant to an increasingly diverse workforce of engineers and technicians.

The second half of 2024 saw us consulting on our new 2030 Strategy and we have been pleased to receive such clear direction and views from the first round of consultation. It is clear that there are areas

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within which our stakeholders want to see us doing more, including our role in addressing the climate emergency and we are aware that the endpoint of the Strategy coincides with the Government's target to reduce greenhouse gas emissions by at least 68% compared to 1990 levels.

With the launch of our new 2030 Strategy scheduled for late 2025, we remain committed to our work with the professional engineering community, to our organisational values of Fairness, Integrity and Transparency and to our aim to support a Register that is representative of those who work in the UK engineering profession. It is through professional registration that we can provide a crucial means of maintaining society's trust in the engineering profession.

Chairman

Professor John Chudley BSc PhD CEng FIMarEST

Chief Executive Officer

Paul Bailey BSc (Hons) FRAeS MInstP

1. Registration statistics as of 31 December 2024

FIGURE 1: TOTAL NUMBER OF REGISTRANTS ON THE REGISTER IN 2024 COMPARED TO 2023

	Interim			Final			Total		
	2023	2024	Change	2023	2024	Change	2023	2024	Change
EngTech	113	105	-7.1%	23,457	23,033	-1.8%	23,570	23,138	-1.8%
IEng	1,035	996	-3.8%	23,243	23,104	-0.6%	24,278	24,100	-0.7%
CEng	4,829	4,595	-4.9%	169,401	167,713	-1.0%	174,230	172,308	-1.1%
ICTTech				836	821	-1.8%	836	821	-1.8%
Total	5,977	5,696	-4.7%	216,937	214,671	-1.0%	222,914	220,367	-1.1%

An individual registrant can hold more than one designation or title such as Chartered Engineer (CEng) and Incorporated Engineer (IEng), or hold a title with more than one institution. Consequently there are more titles recorded on the Register than there are individual registrants. To ensure that any individual is only represented once in Figure 1 only their highest title is counted.

FIGURE 2: TOTAL NUMBER OF TITLES ON THE REGISTER IN 2024 COMPARED TO 2023

	Interim			Final			Total		
	2023	2024	Change	2023	2024	Change	2023	2024	Change
EngTech	113	106	-6.2%	23,680	23,247	-1.8%	23,793	23,353	-1.9%
IEng	1,066	1,024	-3.9%	23,863	23,626	-1.0%	24,929	24,650	-1.1%
CEng	4,867	4,630	-4.9%	177,370	175,056	-1.3%	182,237	179,686	-1.4%
ICTTech			N/A	872	856	-1.8%	872	856	-1.8%
Total	6,046	5,760	-4.7%	225,785	222,785	-1.3%	231,831	228,545	-1.4%

FIGURE 3: NEW TITLES ADDED TO THE REGISTER IN 2024 COMPARED TO 2023

	Interim			Final			Total		
	2023	2024	Change	2023	2024	Change	2023	2024	Change
EngTech		1	N/A	2,859	2,815	-1.5%	2,859	2,816	-1.5%
IEng	50	65	30.0%	1,304	2,022	55.0%	1,354	2,087	54.1%
CEng	217	227	4.6%	5,488	6,008	9.5%	5,705	6,235	9.3%
ICTTech			N/A	207	189	-8.7%	207	189	-8.7%
Total	267	293	9.7%	9,858	11,034	11.9%	10,125	11,327	11.9%

FIGURE 4: LOSS OF TITLES ON THE REGISTER IN 2024 COMPARED TO 2023

	Interim			Final			Total		
	2023	2024	Change	2023	2024	Change	2023	2024	Change
EngTech	8	9	12.5%	2,819	3,413	21.1%	2,827	3,422	21.1%
IEng	148	114	-23.0%	2,107	2,359	12.0%	2,255	2,473	9.7%
CEng	462	485	5.0%	7,600	8,976	18.1%	8,062	9,461	17.4%
ICTTech			N/A	162	216	33.3%	162	216	33.3%
Total	618	608	-1.6%	12,688	14,964	17.9%	13,306	15,572	17.0%

FIGURE 5: REINSTATED TITLES ON THE REGISTER IN 2024 COMPARED TO 2023

	Interim			Final			Total		
	2023	2024	Change	2023	2024	Change	2023	2024	Change
EngTech	1	1		210	165	-21.4%	211	166	-21.3%
IEng	12	7	-41.7%	112	100	-10.7%	124	107	-13.7%
CEng	19	21	10.5%	597	654	9.6%	616	675	9.6%
ICTTech			N/A	17	11	-35.3%	17	11	-35.3%
Total	32	29	-9.4%	936	930	-0.6%	968	959	-0.9%

Our annual Professional Registration Statistics Report digs deeper into the figures above and other trends in our registration data, according to variables such as age, sex and location. For example:

Titles held by those living outside the UK

	2023	2024	Change
EngTech	1,205	1,179	-2.2%
IEng	2,285	2,189	-4.4%
CEng	41,147	41,815	1.6%
ICTTech	21	23	9.5%
EUR ING	941	928	-1.4%
IntET	2	4	100%
IntETn	1	0	NA
IntPE	199	215	8.0%
Total	45,801	46,355	1.2%

Breakdown of registrants by sex and age

	Joiners			Total			Leavers		
	2023	2024	Change	2023	2024	Change	2023	2024	Change
SEX									
Female	13.25%	13.03%	-0.22%	7.75%	8.19%	0.44%	4.92%	4.59%	-0.33%
Male	86.47%	85.10%	-1.37%	92.18%	91.66%	-0.52%	95.01%	95.27%	0.26%
Unspecified	0.28%	1.87%	1.59%	0.08%	0.15%	0.07%	0.07%	0.14%	0.07%
AGE									
16-29	32.90%	31.74%	-1.16%	3.52%	3.70%	0.18%	6.69%	6.04%	0.65%
30-39	46.3%	44.06%	-2.24%	18.03%	18.34%	0.31%	14.33%	13.80%	-0.53%
40-49	15.40%	16.10%	0.70%	20.35%	20.91%	0.60%	11.43%	11.68%	0.25%
50-59	4.59%	6.31%	1.72%	22.51%	21.91%	-0.60%	14.40%	15.10%	0.70%
60-69	0.75%	1.62%	0.87%	17.84%	17.60%	-0.24%	22.83%	25.09%	2.26%
70+	0.06%	0.17%	0.11%	17.74%	17.54%	-0.2%	30.33%	28.29%	-2.04%

2. Strategy and performance in 2024

FIGURE 6: ENGINEERING COUNCIL'S 2025 STRATEGY

**We published our 2025 Strategy, 'Advancing Regulation' in July 2021.
The goal of that strategy is:**

To maintain the public's confidence in the engineering profession through wider promotion of the Engineering Council's regulatory work, its leadership role within the engineering community and a greater, more diverse and engaged registrant population.

Our 2025 Strategy is focused around four key themes:



DIVERSITY & INCLUSION

To support, develop and encourage a more diverse and inclusive profession



DIGITAL INNOVATION

To support a more digitally innovative profession



INTERNATIONAL

To maintain, develop and promote an internationally respected standard



ENGINEERING & SOCIETY

To strengthen the sustainable and ethical core of the engineering profession

Our two strategic enablers, which inform and structure our subsequent strategic outcomes:



OPERATIONAL EXCELLENCE

Ensuring that we maintain and enhance an agile and efficient operations model



STRATEGIC PARTNERING

Ensuring that we maintain and enhance key strategic alliances with a range of important stakeholders

The Engineering Council acts as the 'Council of Engineering Institutions', impartially representing the community of professional engineering institutions and convening expert opinion about competence, commitment and professional development.

A profession you can count on

During 2024 we pursued our strategic themes to advance regulation, without losing focus on the core regulatory work that ensures registered engineering professionals are meeting our globally-recognised Standards of competence and commitment.

220,367

At the end of 2024 there were **220,367** people on our Register, holding at least one of our professional titles. Of these, 78% are Chartered Engineers (CEng). This reflects a reduction of 1.1% since 2023. This is one of the central concerns of our Registration Review, which gathered momentum during 2024.

18,000

There were **18,000** females on our Register at the end of 2024, an increase of 4.4% since 2023, but only 8.2% of the registrant population.

39

At the heart of our regulatory work is our licensing of **39** professional engineering institutions (Licensed PEIs) to assess individuals for professional registration and recognise programmes of learning and development. Five are now licensed to assess candidates for our new Higher-Risk Buildings (HRB) Register – a vital step to protect public safety in a critical area.

175

During 2024 we undertook 31 risk assessments and 11 licensing reviews to monitor and regulate the activity of Licensed PEIs, receiving **175** Liaison Officer reports providing a vital link between our organisations.

46,355

In total, there were **46,355** titles held by registrants from outside the UK, reflecting 20% of the total registrant population. While other continents saw a slight decline, there was an increase of 1% in registrants living in Asia.

25,719

There were **25,719** Course Searches completed on our website during 2024, helping prospective engineers and technicians find courses that have been recognised as meeting our Standards.

26

There are **26** US states signed up to our landmark UK-US agreement to facilitate the mobility of professionally registered and licensed engineers between the two countries.

34,000

During 2024 there were more than **34,000** items of continuous professional development logged on **mycareerpath™**, our online system that 31 client institutions use to help members log progress towards professional registration.

7,000

Overall there were **7,000** new **mycareerpath™** accounts created in 2024, driven significantly by our newest client institution, the Chartered Institute of Building Services Engineers (CIBSE).

250+

During 2024 more than **250** volunteers from throughout the engineering community gave time and expertise to advance regulation in engineering through our committees and panels. This includes more than 50 people involved in working groups to guide our activity in areas such as EDI and artificial intelligence.

3. 2024 Activities and Achievements

Diversity & Inclusion

During 2024, our Equality, Diversity and Inclusion (EDI) Working Group continued to guide our strategic activities in pursuit of a more representative registrant population and engineering profession.

Improving our data collection, including how we interrogate existing data, is a key strand of this activity. With this in mind, we created a public version of our annual registration statistics report for the first time, to improve transparency and accountability. The report focuses attention on some of the key challenges we face as a profession, such as improving both the recruitment and retention of women engineers and technicians.

Alongside this strategic work, we focussed on strengthening EDI at an operational level, across Licensed Professional Engineering Institutions (LPEIs) and in our own activities, such as through the launch of our Neurodiversity Policy.

In November we held a workshop in partnership with EqualEngineers, bringing staff from LPEIs together to share practical strategies for implementing EDI initiatives and principles.

As well as supporting shared EDI initiatives such as awareness days and industry awards, we continued to share our own case studies of engineers and technicians, showcasing the diversity of talent represented in the profession.

Digital Innovation

Through our Artificial Intelligence (AI) Working Group, we worked in partnership with the Science Council and the Society for the Environment to explore the impact of AI in relation to education, skills and professional registration. The resulting report embraces AI as a positive opportunity while setting out the risks it brings, especially in relation to ethics and EDI.

Alongside recommendations welcoming appropriate use of AI both for supporting engineering education and professional registration, the Working Group identified areas where we will need to develop guidance and ensure our Standards reflect the competences or learning outcomes engineering professionals will need to respond to this technological and societal change.

In 2024 we entered the final phase of our two-part project to refresh the interfaces of the **mycareerpath®** professional development system. This application, owned and managed by the Engineering Council and licensed by 30 professional engineering institutions, allows professionals to plan and record their learning. This could be progress towards professional registration, or ongoing continuing professional development (CPD). The project aims to ensure the continuing viability and success of the application for the next five years, and to keep pace with developments in web standards, accessibility, and data security.

International

Collaboration with international partners remained high on the agenda in 2024, with the Engineering Council engaged with colleagues across the world through a variety of high-profile networks and alliances.

We represent the UK in the International Engineering Alliance (IEA), which oversees six international agreements on the establishment of standards for engineering education and professional engineering competence.

Our international work has included consultations with the Government on issues including trade agreements, mutual recognition of professional qualifications and the Professional Qualifications Act.

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In June we took part in the inaugural Presidents' Summit of the European Network for the Accreditation of Engineering Education held in Lisbon, providing an opportunity to collaborate with colleagues from Europe and beyond who share our commitment to developing globally responsible engineers.

In August we signed a historic Mutual Recognition Agreement with the USA's National Council of Examiners for Engineering and Surveying (NCEES). The agreement establishes a streamlined process for recognising professional engineering qualifications between the UK and the USA, supporting engineers to practise across borders with greater ease and without compromising on professional standards.

Engineering & Society

A key part of our work to strengthen public confidence in engineering involves playing our part in the new Building Safety regime being established in the wake of the Grenfell disaster. In 2024 the Privy Council approved the creation of the new Higher-Risk Building (HRB) Register. This will support building owners to ensure that only engineers with relevant competence undertake certain activities.

To further strengthen this work we created a facades specialist annex, to build on last year's publication of the UK Standard for Professional Engineering Competence and Commitment Contextualised for Higher-Risk Buildings (UK-SPEC HRB) and its previously published annexes.

The Engineering Council welcomed the publication of the Grenfell Tower Phase 2 report, which makes recommendations to strengthen regulation and improve systems. We also fully support the public inquiry into the Post Office Horizon scandal, and await the conclusions and recommendations of the final report. We remain committed to working with Government, professional engineering institutions and the wider profession to uphold and promote the highest standards of competence and ethical behaviour for all engineers and technicians.

Through our work on the Mentoring Refugees into Work Committee - a joint initiative with the Refugee Employment Network, the Royal Academy of Engineering and several professional engineering institutions - we have further developed the programme to support refugees who have come to the UK from across the world, including Ukraine, into engineering employment. This support aims to help engineers and technicians gain the relevant skills while introducing them to professional networks.

The Engineering Council was also voted in as a member of the United Kingdom Accreditation Service (UKAS), becoming the twenty-fourth member of the Government-appointed body. This membership will enable further collaboration and assure appropriate standards of competence across the engineering profession.

4. Risk and compliance

How the Engineering Council manages risk and opportunities

The Engineering Council maintains a Risk and Opportunities Management Policy & Procedure which forms part of the EngC's internal control and governance arrangements. It explains the EngC's underlying approach to risk management including how the organisation views, identifies, assesses, and manages risk. It also describes the process the Board uses to manage the Engineering Council's risk management process and evaluate the effectiveness of the internal control procedures. In 2024 a formal review of the Risk Management Framework commenced which is expected to be completed in early 2025 and includes a review of the current Risk and Opportunities Management Policy & Procedure.

Engineering Council maintains a Trustee Risk Register which identifies risks that could have an impact on the organisation's ability to deliver its strategic objectives, including all legal and financial mandates, assess the probability and impact of those risks occurring and details the measures in place to manage and mitigate them.

The Trustee Risk Register is supported by several Functional Risk Registers, each covering the main activities of the Board's Committees and Panels, and which identify risks that could have an impact on the organisation's ability to deliver its strategic objectives in those areas. These registers are reviewed at each of the Committee/Panel meetings with the Risk Moderation Panel, via delegated authority from the Management Panel, undertaking a holistic review every quarter.

Role of the Executive Team and Management Panel

Day to day management of individual risks is the responsibility of the appropriate staff member where decisions are delegated to them as recorded in the Risk Register. The Risk Moderation Panel reviews the Risk Register at each meeting and reports any concerns about risk and their management to the Board. The Risk Register is reviewed at each Board meeting. Should any other risk emerge during the year that is assessed to fall into one of the categories described above or which may result in the levels of tolerable risk set out in the EngC's risk appetite statement being exceeded then this should be referred to the Board for review.

As part of the business planning process, the Executive Team scans the horizon to identify changes in the external environment that may have an impact on the Engineering Council's operations. Both PESTLE and SWOT analysis frameworks are utilised to do this, which then instructs the 'opportunity and risk' identification process.

As part of the business planning process, all key tasks will record risks, opportunities and issues that may affect the achievement of expected outputs in either Functional Risk Registers or the Projects Risk & Opportunities Register and Issues Register.

Based on the horizon scan and organisational SWOT analysis, the emergent opportunities are identified and captured in the Risk and Opportunities Register. The Executive Team reviews the Opportunity Register in the autumn of each year and prepares and prioritises projects that may exploit the opportunities, subject to resources being available. This will also inform any options analysis, which then drives the budgeting forecast the following year.

This process involves assessing the most significant individual risks on the basis of the likelihood of it occurring, and what the impact to the organisation would be should the risk occur and considering ways of avoiding the risk(s) or mitigating its effect. Each area of risk has been assessed by providing a score to both the impact and the probability of each risk and using these to calculate the overall severity, and therefore, Gross Risk. With the identification and definition of suitable controls and monitoring actions, a judgement is then made as to what extent the Gross Risk is reduced or increased, thereby reflecting what the Net Risk is.

Role of the Board

The Trustees assessed the major risks to which the Engineering Council was exposed in accordance with Charity Commission guidance and were satisfied that systems were in place to mitigate the Engineering Council's exposure to major risks.

The organisation's Risk and Opportunity Management Policy & Procedure contains the following key principles that outline the Engineering Council's approach to risk management:

- a. As the EngC's principal body, the Board is responsible for risk management;
- b. The Board is responsible for maintaining a sound system of internal control that supports the achievement of policies, aims and objectives while safeguarding the public and other funds and assets for which it is responsible in accordance with its Charter and By-laws;
- c. There should be an open and receptive approach to mitigating risk;
- d. The Management Panel (MP) manages the EngC's Risk and Opportunity Management Process.
- e. The Finance, Audit & Remuneration Panel (FARP) advises the Board on risk assurance.
- f. The Risk Register is reported to the Board via MP.
- g. The CEO and Executive Team, with input from the volunteer committees and panels where relevant, are responsible for encouraging and implementing good risk management practice across the organisation, in particular the identification, evaluation and management of risk.
- h. Early warning mechanisms will be put in place and monitored to alert the Board so that remedial action can be taken to manage any potential hazards.

The Policy & Procedure includes consideration of the organisation's **Risk Appetite** i.e., the level of risk that EngC is prepared to accept in pursuit of its strategic objectives. This Statement informs the EngC's strategy and business planning processes and is reviewed annually by the Board. It sets the context for managing risk and forms an integral part of this policy. The Risk Appetite Statement will also form the basis of delegated levels of authority for decisions including at subordinate panels and committees.

In terms of its willingness to accept certain types of risk, the EngC's approach is to minimise exposure to reputational, compliance and financial risk, whilst accepting that a certain level of risk must be taken to achieve its strategic objectives. Acceptance of risk is subject to ensuring that risks and potential benefits are fully considered and understood before activities are undertaken and that sensible measures are in place to mitigate risk.

As of 31 December 2024, there were **three HIGH**, two **MEDIUM** and one **LOW** Net Risk on the Trustees Risk Register.

The **HIGH** Net Risks are as follows:

1. Risk of international Partners losing confidence in quality of UK registration and UK engineering programmes

MITIGATION

- Continued focus on strengthening relations within the European Higher Education Area (EHEA), including visibility of UK programmes in the European Engineering Education database (EEED), promotion of EUR ING and EUR-ACE labels.
- Working to maintain the acceptability of alternative routes to international engineering registers.
- Promotion of Publicly Available Standard (PAS) 525 and a focus on experiential learning as a key component of competence development.
- Working with overseas regulators bilaterally.

2. Risk that registrant recruitment, retention & demographics results in loss of registrants and decreasing income to both EngC and EngUK.

MITIGATION

- EngC Strategy includes key objectives in the area of retention (including consideration of Diversity and Inclusion).

3. Risk that reviews of the profession or competing regulatory drivers will result in the EngC's regulatory function and its registers being removed or developed by an alternative body.

MITIGATION

- EngC represented on Professional Engineering Committee (PEC) and contributing to government consultations on regulatory affairs.

The **MEDIUM** Net Risks are as follows:

1. Risk of IT security due to attack by virus or hacker, or systems failure, or staff/volunteer unintentional breach resulting in corruption or deletion of electronic data.

MITIGATION:

- Keeping IT suppliers reviewed and managed with professional advice.
- Firewall audit undertaken. Clean rule book established on virtual servers.
- Third-party virus screening of e-mails provided by Microsoft.
- Appropriate backup procedures and software reinstallation procedures implemented.
- Staff/volunteer awareness regarding spoofing emails etc.

2. Risk of impact to business-as-usual / strategic activities resulting from the Privy Council and Governance Panel (PCGP) having insufficient members to be quorate.

MITIGATION

- EngC staff actively approaching stakeholders for expressions of interest for Panel membership.
- EngC currently developing the position of Honorary Solicitor which, as part of the role, would be a full member.
- PCGP terms of reference to be revised, recommending the Panel be comprised of only one Trustee, allowing for more flexibility going forward regarding membership

Internal and external auditing

The Quality Management System (QMS) is now embedded within the Engineering Council's Operational Framework and a robust internal audit schedule is in place. This plan is created and revised by the internal Quality Management Team (QMT), which also manages the internal audit team. In addition, QMT monitors the internal audit process, reviews internal audit reports and follows up on both ISO9001 and internal audit non-conformances and root cause analysis. All findings are recorded in the Internal Audit Log as requested by the Executive Team. The Engineering Council was successfully recertified against the ISO 9001:2015 quality management standard in January 2025.

5. Financial review

The areas of activity funded during 2024 are set out in section 3 - **2024 Activities and Achievements**. A detailed breakdown of expenditure for the year appears in notes 7-13 to the Financial Statements. FARP regularly scrutinises the organisation's expenditure to ensure that the work of the Engineering Council remains cost-effective.

In summary, in 2024 the Engineering Council reported income of £3,335,823 (2023 - £3,112,602), expenditure of £3,635,074 (2023 - £3,170,466) and net movement in funds before other recognised (losses)/gains of £-197,878 (2023 - net movement of £70,920). After recognised gains/(losses), the Engineering Council reported a loss in 2024 of £69,878 (2023 - gain of £177,920).

The inclusion of the Engineering Council Pension Scheme under FRS102 has reduced staff costs by £136,000 (2023 - £122,000), increased direct costs by £264,000 (2023 - £229,000) and resulted in an actuarial gain on the scheme of £232,000 (2023 - loss of £147,000). The overall effect of applying FRS102 is thus to increase income for the year by £128,000 (2023 - £107,000) and to decrease the net movement in funds by £104,000 (2023 - increase of £254,000).

Engineering Council Pension Scheme

The Trustees of the Engineering Council Pension Scheme met three times during 2024. The Engineering Council, as the Principal Employer, made contribution towards scheme running costs of £136,000, as opposed to £122,000 made in 2023. This change resulted from the triennial valuation, at 31 December 2018, showed a past service surplus of £327K compared to the deficit disclosed by the 2015 valuation of £1.2M. The principal factors affecting the change in the deficit were the deficit reduction contributions made by the Employer and the value placed on the liabilities, which was lower than in the previous year due mainly to the increase in the corporate bond yield.

Following the recent triennial valuation at 31 December 2021, when the Scheme reported a surplus on a technical provisions' basis of £988K, the Trustees and the Employer have agreed that an annual contribution towards the Scheme running costs will continue to be made until the next triennial valuation which is due at 31 December 2024.

Reserves

In 2024 the Engineering Council held funds of £3,271,525 (£3,341,403 - 2023) as follows:

Unrestricted general funds - The Engineering Council's policy is to maintain a level of unrestricted reserves, in accordance with accepted good practice, of a minimum of six months of operating budget. In 2024 six months operating budget was £1.62M (£1.53M - 2023). In calculating the level of reserves it should hold, the FARP also reviewed the key financial risks to the organisation and identified changes to funding mechanism and/or a shortfall in the annual operating grant, which could result in a lack of funds for Engineering Council operations. Consequently, a minimum reserve of six months operating budget was deemed appropriate.

Disregarding the tangible fixed assets for reserves policy purposes, the charity's general fund was £3,220,969 (2023 - £3,258,150); a figure not materially different from twelve months' expenditure.

At its October 2024 meeting FARP agreed the principle of utilising reserves in excess of six months' operating costs to fund projects that supported the organisation's strategic plan, but only on condition that a minimum of six months' operating costs be retained at all times.

Restricted funds

The pension reserve was £nil at the year end with the pension grant received in year again being equivalent to the current year recovery plan contributions of £136k (£122k - 2023).

The general fund, as shown in the financial statements, includes an unrecognised surplus of £0.915M (2023 surplus - £0.811M), due to an excess of assets over liabilities in the scheme this year. The figure as calculated under FRS102 is in respect of the defined benefit scheme.

Annual Report and Financial Accounts 2024

This amount is not recognised within the Engineering Council's financial statements as the organisation has no rights over the Scheme's assets. The Trustees believe that this notional funding calculation, which can vary considerably according to the assumptions made at each year-end, has no material effect on the organisation's cash flow in the short term, and that in the long term its effects can be sustained from future income.

The majority of the reserves are held in investments, with the remainder held in cash.

Investment Policy and Returns

The Engineering Council's reserves have been held in the Cazenove Charity Sustainable Multi-Asset Fund since May 2022.

FARP reviews the fund performance at each of its meetings and the fund manager attends FARP at least once a year to discuss fund performance. Cazenove fund managers attended FARP in May 2024 to report on its performance, positioning and outlook for the remainder of 2024 and beyond.

Cazenove also reports on their sustainability responsibilities and on their Climate Transition Action Plan which commits:

- Intention for 100% of their discretionary assets to become net zero by 2050, or sooner
- To use its influence to encourage companies and managers they invest in to also commit to net zero
- To allocate its capital to climate solutions

Cazenove have also recently adopted the "Sustainability Focus" label under FCA Sustainability Disclosure Requirements regime. Under the label regime Cazenove commit to having a minimum of 70% of the Fund's investments in assets that:

- Benefit Stakeholders by making a positive contribution to people and the planet
- Contribute to Solutions by helping to advance one or more of the UN Sustainable Development Goals
- Avoid Harm by 100% of investments not conflicting with the Fund's sustainability objective.

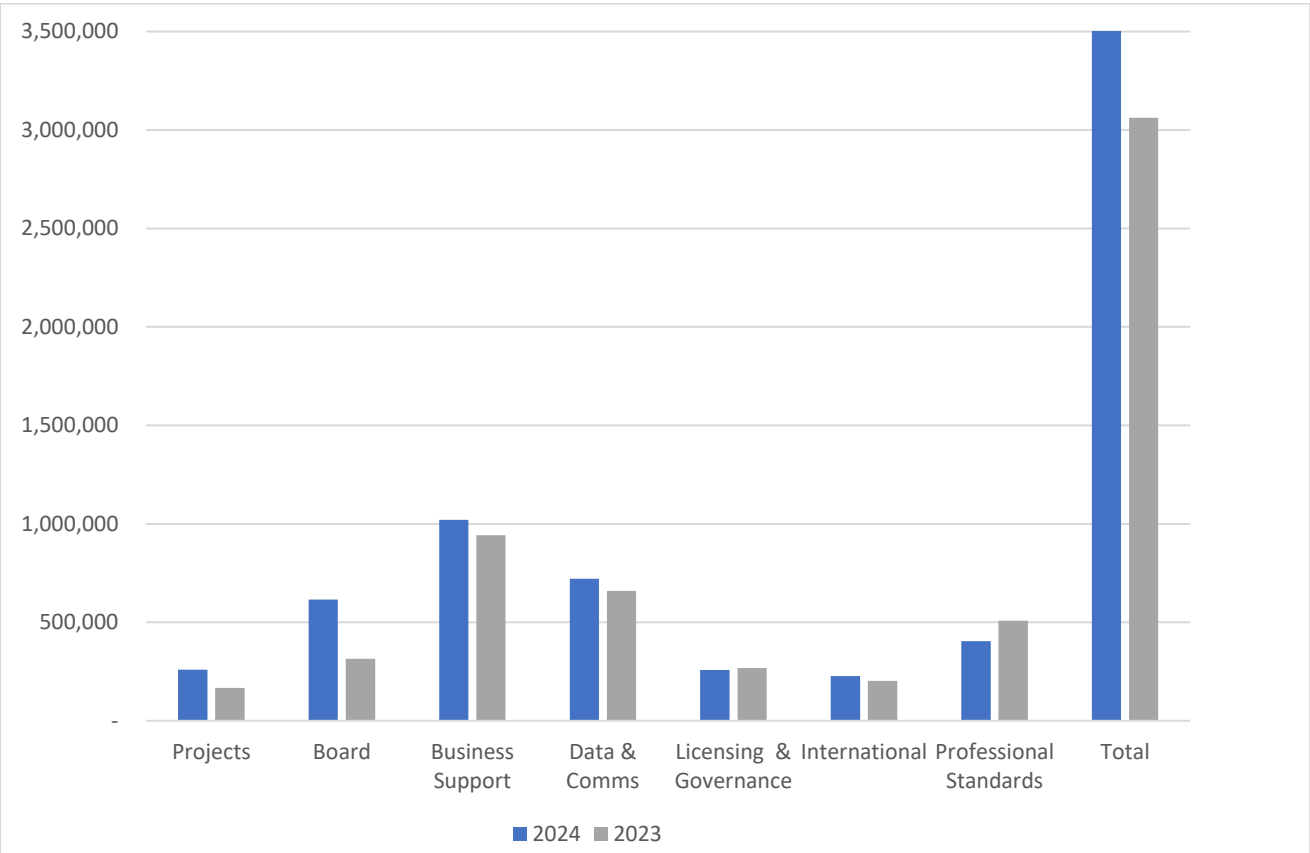
Investing in this Sustainable Multi-Asset Fund provides a secondary charitable benefit to the public and supports Engineering Council's commitment to Sustainability.

Additionally, Engineering Council's defined contribution pension scheme, as managed by Scottish Widows, is heavily incorporating responsible investment into its default fund and is aiming to halve its carbon footprint on its investment portfolios by 2030 and achieve net zero across all investments by 2050, another example of secondary charitable benefit.

Expenditure on charitable activities

The following graph sets out the amounts spent on key areas of activity in 2024 and 2023.

FIGURE 7: 2024 & 2023 EXPENDITURE



6. Public benefit

The Board of Trustees is mindful of its responsibility to ensure that the Engineering Council, as a charity, acts for the benefit of the public.

As set out above, our Charitable Object is to advance education in, and to promote the science and practice of, engineering for the public benefit and thereby to promote industry and commerce. The primary public benefit of our regulatory activity is trustworthy engineering practice that keeps people safe and supports responsible social and economic development.

Trustees always ensure that the activities undertaken by the Engineering Council are in line with its charitable objectives and believe that they have complied with their duty in accordance with the UK Charities Act 2022 to follow the Charity Commission’s guidance on the operation of this public benefit.

7. How we operate

How we are governed

The Engineering Council, whose registered office is 5th Floor, 10 Lower Thames St, London EC3R 6EN was incorporated by Royal Charter on 27 November 1981 and is a registered charity, No. 286142, whose objects are:

To advance education in, and to promote the science and practice of, engineering (including relevant technology) for the public benefit and thereby to promote industry and commerce in Our United Kingdom and elsewhere.

How we are funded

The Engineering Council's principal source of funding is the annual registration fees of individual registered engineers and technicians. The fees are collected by the professional engineering institutions and remitted to EngineeringUK, from which a grant is made to the Engineering Council.

This operating grant is used to cover the cost of carrying out regulatory activities, which include maintenance of standards; licensing of professional engineering institutions as Licensees and Professional Affiliates; international representation in Engineers Europe (previously FEANI) and the International Engineering Alliance; operation of the engineering profession's national Register; and support for the promotion of registration by professional engineering institutions.

The annual registration fees from Engineering Technicians, Incorporated Engineers, Chartered Engineers and ICT Technicians support the work of the Engineering Council and EngineeringUK.

The Engineering Council does not engage any external fundraisers nor raises funds from the general public and as such no complaints have been received in this respect.

The Board of Trustees

The Engineering Council is governed by a 22-member Board of Trustees, which is appointed in accordance with the Engineering Council's Bye-laws. Twelve of the members are appointed by the major professional engineering institutions, three by the smaller institutions and the remaining seven by EngineeringUK. The composition of the Board provides stakeholder representation through institution-nominated members, and the involvement of the wider profession through EngineeringUK nominees.

The Board met on three occasions in 2024 (March, June and November) with the meetings chaired by Professor John Chudley BSc PhD CEng FIMarEST.

The Board appoints the Chief Executive Officer, who is in turn responsible for staffing within parameters established by the Board.

The constitution and membership of the Board is published on the Engineering Council website (www.engc.org.uk). A Partner Portal requiring a password (<https://partner.engc.org.uk>) is available to stakeholders, primarily Licensees, Professional Affiliates, Engineering Council Trustees, and volunteer members of the Engineering Council's Committee and Panels, as well as Engineering Council staff. The Charter and Bye-laws, Regulations and Terms of Reference of the Board's Committees and Panels are published on the Partner Portal together with other information including agendas, minutes and papers and proceedings of the Board, Committees and Panels.

Within three months of joining the Board, Trustees are given an induction by the Executive Team, which is based on the Institute of Chartered Secretaries and Administrators Best Practice Guide to the Appointment and Induction of Charity Trustees. Further trustee training, including GDPR training, is undertaken as appropriate.

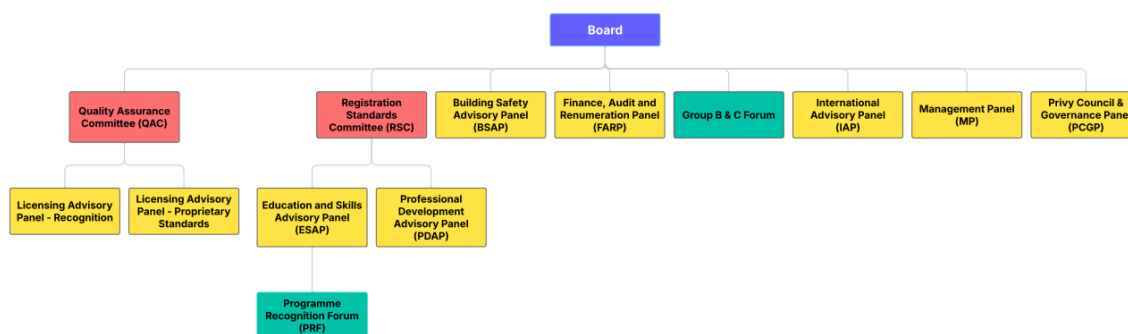
The following table presents changes to Board members during 2024.

	Nominated by	Board Member	Term of Office ended	Term of Office started
1	BCS, The Chartered Institute for IT	EURING Alastair Revell BSC(Hons) CEng CITPFBCS FRSA FIAP		
2	Chartered Institution of Building Services Engineers	Mr Andrew Rowe BEng (Hons) CEng MCIBSE MSLL MIWFM		
3	Institution of Chemical Engineers	Dr Rob Best CEng FICChemE		
4	Institution of Civil Engineers	Mrs Emer Murnaghan OBE BEng CEng MICE CEnv MIW FIEI		
5	Institution of Engineering & Technology	Mr James Baker* CEng FIET		
6	Institution of Engineering & Technology	Ms Margaret Graham CEng Hon FIET		
7	Institute of Marine Engineering, Science & Technology	Prof John Chudley BSc PhD CEng FIMarEST- Chair		
8	Institute of Materials, Minerals and Mining	Mr Jim Shields CEng CSci FIMMM CGeol FGS FICE FIQ		
9	Institution of Mechanical Engineers	Mr Mike McLoughlin CEng FIMechE FIET		
10	Royal Aeronautical Society	Mr Martin Penn CEng FRAeS		
11	Society of Operations Engineers	Prof. Steve Burnage CEng CEnv FIMechE FSOE IMAAEES		
12	Institution of Structural Engineers	Mr Phil Nelson CEng FIStructE		
13	Group B Institutions	EURING Simon Vaitkevicius CEng FIED		
14	Group B Institutions	Mr Neil Phelps IEng MIED		
15	Group C Institutions	Mr Tony Gibson CEng MNucl MIET MAPM MINCOSE		
16	EngineeringUK	Mr David Short CEng FRAeS FIET		
17	EngineeringUK	Vacancy in 2024		
18	EngineeringUK	Mr Matt Gantley		
19	EngineeringUK	Ms Estelle Clark CQP FCQI		
20	EngineeringUK	Mrs Josephine Parker MBE CEng FCIWEM FICE FIWater		
21	EngineeringUK	Ms Emma Crichton MEng CEng MICE		
22	EngineeringUK	Ms Ann Francke OBE CMgr CCMI		

***Second term extended by three years in accordance with Regulation 6B.6 as a non-voting Board Member at EngC Board Meeting 28 March 2024**

Committees and Panels

The Board operates through the two principal Committees and a number of Advisory Panels that have been established to ensure the Board remains informed on key areas by appropriate experts, as well as to widen stakeholder engagement and increase diversity. Committee Chairs are members of the Board whereas Advisory Panel Chairs may be Board members but are not required to be so. Other Committee and Panel members are nominated by the Licensees, or relevant stakeholder groups.



The **Registration Standards Committee (RSC)** is responsible for maintaining the standards of competence and commitment and maintaining the underpinning knowledge and understanding requirements for professional registration. This includes publishing, and keeping under review, the Regulations for Registration, the UK Standard for Professional Engineering Competence (UK-SPEC) and the recognised standards derived from it including the UK Standard for Professional Engineering Competence – Higher-Risk Buildings (UK-SPEC HRB) and the ICT Technician Standard; and the standards for the recognition of engineering education programmes, qualifications and apprenticeships. RSC also publishes and keeps under review practice guidance for professionals on matters such as ethics, safety, security, risk management, sustainability and whistleblowing. RSC comprises nominees from professional engineering institutions, including from academia and industry, and supported by Advisory Panels comprising experts from a diverse range of stakeholder organisations. The committee met three times in 2024.

The **Quality Assurance Committee (QAC)** is responsible for licensing Professional Engineering Institutions that are considered competent to assess candidates for professional registration, accredit academic programmes, and approve professional development schemes. This involves a periodic review of the institutions' registration process, reviewing and making appropriate changes to licensing policies and processes, and encouraging information exchange between institutions, while maintaining an overview of licence related issues. It also approves suitable bodies as Professional Affiliates. QAC comprises members nominated by the Licensees who are registrants and of suitable standing and experience. The QAC has also established two licensing advisory panels to provide advice on issues concerning recognition, and also Proprietary Standards. The QAC met four times in 2024.

The **International Advisory Panel (IAP)** is responsible for advising on matters that have an impact on the global recognition of Engineering Council standards and the international mobility of engineering professionals. This involves advising on the international promotion of the national Register, updating the Board on relevant international developments, guiding the Engineering Council's international activity and identifying suitable representatives of the UK engineering profession to join international committees. IAP acts as the National Monitoring Committee for Engineers Europe (previously FEANI) registration purposes and as the responsible Committee for the UK section of International Registers. IAP also promotes the flow of communications between the Engineering Council and the Licensees on international matters. IAP comprises nominees from Licensees, including from academia and industry, with international experience and expert knowledge of mobility issues affecting professional engineers and technicians. The Panel met three times in 2024.

The **Finance, Audit and Remuneration Panel (FARP)** has responsibility for keeping the financial management of the Engineering Council under review. Through the delegated authority of the Board, it approves variations to expenditure and investment policy within established limits. The Panel advises the Board and CEO on financial services; monthly management accounts; remuneration; staff pensions; subscription and fees policies; the annual budget, report and accounts; risk assessment policy; audit reports and delegated financial authorities. In addition to the Chair, FARP comprises two current trustees and three other members with relevant knowledge and experience. The Panel met three times in 2024.

The **Privy Council and Governance Panel (PCGP)** is responsible for the periodic review of the Charter, Bye-laws and Regulations of the Engineering Council, and making proposals for change to the Board. The Panel also advises the Board on its response to requests for advice from the Privy Council Office and other

government departments on matters concerning the constitution of relevant institutions. PCGP provides advice to professional engineering institutions on constitution, governance, and disciplinary procedures. This involves publishing and reviewing guidance on disciplinary procedures, and consulting with Licensed Professional Engineering Institutions on significant proposed changes to policies or procedures. PCGP also considers representations from Licensees, registrants or members of the public concerning the conduct of institutions or registrants, and determines whether, and if so how, appeal proceedings should take place. PCGP comprises suitable nominees from the Board, together with advisors to assist in this work of the Panel. The PCGP met three times in 2024.

The **Management Panel (MP)** is responsible for day-to-day operational decision making and management of the organisation. The Panel is chaired by the CEO and comprises of the CEO, the Deputy CEO/Head of Policy & Standards, the Head of Business Support, the Head of Licensing & Governance and the Head of Data & Comms and meets approximately every four to six weeks. Its standing agenda includes IT and Management Information Systems, project management/project reporting, risk management, business planning, HR, finance, quality management and business continuity.

The **Group B and C Panel** provides a forum for the exchange of information and good practice with respect to membership and registration matters concerning small (Group C) and medium-sized (Group B) institutions. It also discusses pan-engineering issues of joint concern and, where appropriate, provides focus for campaigns or lobbying and the dissemination of a collective view. The Panel provides a platform for organisations and individuals to present topics of common interest, including identifying and implementing opportunities for co-operation between institutions for mutual benefit and the public good.

The **Building Safety Advisory Panel (BSAP)** was established to advise on building safety regulatory matters relevant to the competence of engineering professionals, and to build, maintain and manage Engineering Council relationships with key building safety stakeholders including government departments and the building safety regulator (BSR). The BSAP also nominates, supports, and oversees Engineering Council representatives to key stakeholder groups in the sector, and informs Engineering Council responses to external building safety policy matters. The BSAP provides expert advice on these areas to the Board, QAC, and RSC as appropriate, and may also establish forums as needed to share practice and facilitate communication with and between the Licensees. The BSAP met six times in 2024.

The **Education & Skills Advisory Panel (ESAP)** was established to provide advice relating to education and skills initiatives and core business activities as may be requested by the Engineering Council Board, its Committees, or another Advisory Panel. This may include, for example, matters arising from licensing and quality assurance activities where these require a more detailed knowledge and understanding of education and skills development, or matters impacting on engineering education and skills development for all categories of registration. The ESAP also helps to inform Engineering Council responses to external policy matters that relate to education and skills. The ESAP may also establish forums as needed to share practice and facilitate communication with and between, and indeed has established the Programme Recognition Forum (PRF) for discussion of matters related to recognition of programmes against the Engineering Council's Approval and Accreditation of Qualifications and Apprenticeships (AAQA) and Accreditation of Higher Education Programmes (AHEP) Standards. The ESAP met three times in 2024.

The **Professional Development Advisory Panel (PDAP)** was established to provide advice relating to professional development matters as requested by the Engineering Council Board, its Committees, or another Advisory Panel. In particular, the PDAP advises the Registration Standards Committee (RSC) on the development, maintenance, promotion, and implementation of the Engineering Council Standards and guidance related to professional development. Similarly, the PDAP advises the Quality Assurance Committee (QAC) on matters arising from licensing and quality assurance activities where these require a more detailed knowledge and understanding of professional development, interpretation of Engineering Council Standards and Regulations relating to recognition of Initial Professional Development (IPD) schemes, and evaluation of conformity to these Standards and Regulations. The PDAP also monitors the wider professional development landscape and identifies good practice to inform the engineering profession of any developments that would lead to a "best in class" professional development programme, and helps inform Engineering Council responses to any external professional development policy matters. The PDAP met three times in 2024.

Volunteer Effort

Volunteer effort, through its Board, committees, panels and working groups, continues to be crucial to the work of the Engineering Council. A conservative estimate gives the total days given freely to the Engineering Council throughout the year as approximately 1,200. Given the standing of those involved the financial equivalent would be in the order of £620,000 per annum. These figures have not significantly changed in the last year with our volunteers continuing to provide a similar level of support post the pandemic.

Two remote volunteers' seminars were held in 2024. One held face to face in June and one held remotely in November, both were well attended.

Remuneration Policy

The Engineering Council is committed to ensuring that it pays staff fairly and at an appropriate level in order to attract and retain people with the right skills and experience to ensure that the organisation delivers its charitable objectives and strategic plan.

FARP has delegated authority from the Board of Trustees to determine all matters relating to staff pay and reward. In determining staff remuneration, FARP considers factors such as the increase in cost of living and the general rate of salary increases in the market during the preceding 12 months. Bonus payments are awarded on a discretionary basis to provide staff with appropriate incentives to encourage enhanced performance and to reward them in a fair and responsible manner for their individual contributions to the success of the organisation.

KEY MANAGEMENT PERSONNEL

Chief Executive Officer

Paul Bailey BSc (Hons) FRAeS MInstP

Head of Policy & Standards and Deputy CEO

Katy Turff BA (Hons) CMgr MCMI

Head of Business Support

Wanda Proctor BA (Hons) ACMA

Head of Licensing & Governance

Stuart Ingram BA (Hons)

Head of Data & Comms

David Titmas BA (Hons)

Professional Advisors

Service	Organisation	Address
Actuaries & Pension Administrators	Cartwright Benefit Consultants Ltd.	Marlborough House, Victoria Road, Chelmsford, Essex, CM1 1LN
Auditors	HaysMac LLP	10 Queen Street Place, London EC4R 1AG
Bankers	HSBC Bank plc	165 Fleet Street, London, EC4A 2DY
Financial Accountants	Kreston Reeves LLP	2nd Floor, Maritime Place, Quayside, Chatham Maritime, Chatham, Kent, ME4 4QZ
Investment Managers	Cazenove Capital	1 London Wall Place, London, EC2Y 5AU
Lawyers	Veale Wasbrough Vizards LLP	Narrow Quay House, Narrow Quay, Bristol BS1 4QA

8. Statement of Trustees' responsibilities

The Trustees are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

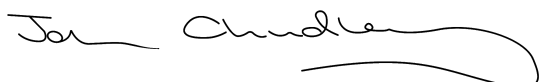
The law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year, which provides a true and fair view of the state of affairs and the incoming resources and application of resources, of the charity for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently.
- observe the methods and principles in the Charities Statements of Recommended Practice (SORP)
- make judgments and estimates that are reasonable and prudent.
- state whether applicable accounting standards have been followed, insofar as these are appropriate to the Council, its Royal Charter and Bye-laws, subject to any material departures disclosed and explained in the financial statements.
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping proper accounting records that disclose, with reasonable accuracy at any time, the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the applicable Charity (Accounts and Reports) Regulations and the provisions of the Trust Deed. They are also responsible for safeguarding the assets of the charity and 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 charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The above Trustees' Report on pages 1-23 was approved by the Trustees on 19 June 2025 and signed on their behalf by the Chairman of the Board at the Annual General Meeting on 3 July 2025:



Professor John Chudley BSc PhD CEng FIMarEST

9. Independent auditor's report to the Trustees of The Engineering Council

Opinion

We have audited the financial statements of The Engineering Council for the year ended 31 December 2024 which comprise the Statement of Financial Activities, the Balance Sheet and the Cash Flow Statement 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).

In our opinion, the financial statements:

give a true and fair view of the state of the charity's affairs as at 31 December 2024 and of the charity's net movement in funds 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 Charities Act 2011.

Basis for opinion

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder. We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Annual Report. 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.

In connection with our audit of the financial statements, 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.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept by the charity; or
- sufficient accounting records have not been kept; or
- the charity financial statements are not in agreement with the accounting records and returns; or

- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement [set out on page 23], the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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.

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:

Based on our understanding of the charity and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to Charities Act 2011 and its Royal Charter, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Charities Act 2011 and the application of FRS102, income tax and payroll tax.

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 application of controls around authorisation of expenditure and payments. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Review of minutes of meetings;
- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions; and
- Challenging assumptions and judgements made by management in their critical accounting estimates

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: 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 charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity's trustees as a body for our audit work, for this report, or for the opinions we have formed.

HaysMac LLP

HaysMac LLP
Statutory Auditors
3 July 2025

10 Queen Street Place
London
EC4R 1AG

HaysMac LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

The Engineering Council

Statement of financial activities for the year ended 31 December 2024

	Note	Restricted funds 2024 £	Unrestricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Income from:					
Charitable activities	4	136,187	3,101,662	3,237,849	3,077,339
Other trading activities	5	-	10,927	10,927	7,210
Investments	6	-	87,047	87,047	28,053
Total income		136,187	3,199,636	3,335,823	3,112,602
Expenditure on:					
Raising funds		-	3,065	3,065	2,523
Charitable activities	7	136,187	3,495,822	3,632,009	3,167,943
Total expenditure		136,187	3,498,887	3,635,074	3,170,466
Net expenditure before net gains on investments		-	(299,251)	(299,251)	(57,864)
Net gains on investments		-	101,373	101,373	128,784
Net movement in funds before other recognised (losses)/gains		-	(197,878)	(197,878)	70,920
Other recognised gains/(losses):					
Actuarial gains/(losses) on defined benefit pension schemes		-	232,000	232,000	(147,000)
Derecognition of pension surplus		-	(104,000)	(104,000)	254,000
Net movement in funds		-	(69,878)	(69,878)	177,920
Reconciliation of funds:					
Total funds brought forward		-	3,341,403	3,341,403	3,163,483
Net movement in funds		-	(69,878)	(69,878)	177,920
Total funds carried forward		-	3,271,525	3,271,525	3,341,403

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

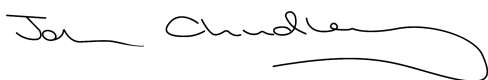
The notes on pages 30 to 52 form part of these financial statements.

The Engineering Council

Balance sheet as at 31 December 2024

	Note	2024 £	2023 £
Fixed assets			
Tangible assets	14	50,556	83,253
Investments	15	2,429,849	2,243,002
		<u>2,480,405</u>	<u>2,326,255</u>
Current assets			
Debtors	16	65,162	164,170
Cash at bank and in hand		1,105,990	1,259,957
		<u>1,171,152</u>	<u>1,424,127</u>
Creditors: amounts falling due within one year	17	(380,032)	(408,979)
Net current assets		<u>791,120</u>	<u>1,015,148</u>
Net assets including pension scheme liabilities		<u><u>3,271,525</u></u>	<u><u>3,341,403</u></u>
Charity funds			
Restricted funds	18	-	-
Unrestricted funds	18	3,271,525	3,341,403
Total funds		<u><u>3,271,525</u></u>	<u><u>3,341,403</u></u>

The financial statements were approved and authorised for issue by the Trustee and signed on their behalf by:



Professor John Chudley BSc PhD CEng FIMarEST

Chair of Trustees

Date: **03/07/25**

The notes on pages 30 to 52 form part of these financial statements.

The Engineering Council

Statement of cash flows for the year ended 31 December 2024

	2024 £	2023 £
Cash flows from operating activities		
Net cash used in operating activities	74,571	214,284
Cash flows from investing activities		
Dividends, interests and rents from investments	(14,910)	5,574
Purchase of tangible fixed assets	(26,781)	(8,969)
Proceeds from sale of investments	348,493	1,492
Purchase of investments	(433,967)	(11,796)
Gains on sale of investments	(101,373)	(128,784)
Net cash used in investing activities	(228,538)	(142,483)
Change in cash and cash equivalents in the year	(153,967)	71,801
Cash and cash equivalents at the beginning of the year	1,259,957	1,188,156
Cash and cash equivalents at the end of the year	1,105,990	1,259,957

The notes on pages 30 to 52 form part of these financial statements

The Engineering Council

Notes to the financial statements for the year ended 31 December 2024

1. General information

The Engineering Council is an unincorporated charity registered with the Charity Commission, with charity number 286142. The registered office is 10 Lower Thames Street, London, EC3R 6EN.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The Engineering Council meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

2.2 Going concern

The Trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

2.3 Income

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

2.4 Expenditure

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

Charitable activities are costs incurred on the charity's operations, including support costs and costs relating to the governance of the charity, all incurred in achieving the charity's objectives.

All expenditure is inclusive of irrecoverable VAT.

**Notes to the financial statements
for the year ended 31 December 2024**

2. Accounting policies (continued)

2.5 Tangible fixed assets and depreciation

Tangible fixed assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, .

Depreciation is provided on the following bases:

Fixtures and fittings	- 20% straight line
Office equipment	- 25% straight line
Computer equipment	- 33% straight line

Assets of nil book value are removed from the asset register after 10 years, irrespective of whether they exist or not. These are included in "Disposals during the year" as appropriate.

2.6 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Statement of financial activities.

2.7 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.8 Operating leases

Rentals paid under operating leases are charged to the Statement of financial activities on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

2.9 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.10 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**Notes to the financial statements
for the year ended 31 December 2024**

2. Accounting policies (continued)

2.11 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of financial activities as a finance cost.

2.12 Financial instruments

The charity 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 with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.13 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the reporting date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Statement of financial activities.

2.14 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustee in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

**Notes to the financial statements
for the year ended 31 December 2024**

2. Accounting policies (continued)

2.15 Pensions

The Engineering Council contributes to a contracted-out defined benefit pension scheme, the Engineering Council Pension Scheme. This scheme was closed to new entrants on 3 July 2002. The Scheme closed to future accrual with effect from 30 April 2012.

The Engineering Council fully adopts Financial Reporting Standard 102 (FRS102) and the impact of this standard has been reflected throughout the financial statements.

In accordance with FRS102, the Statement of Financial Activities includes: the cost of benefits accruing during the year in respect of current service costs (charged against staff costs within charitable activities); the interest cost and the expected return on assets (shown as direct costs); and actuarial gains and losses (disclosed within other recognised gains and losses).

In accordance with FRS102, the balance sheet includes the surplus or deficit in the scheme. This has been estimated for the purposes of FRS102 based on the results of the funding Actuarial Valuation, adjusted for the different assumptions and taking into consideration subsequent cash flows.

Further details regarding the scheme are disclosed in note 24.

The Engineering Council also contributes to a defined contribution stakeholder pension scheme operated by Scottish Widows. Contributions are charged to the Statement of Financial Activities as they fall due.

2.16 Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

2.17 Value Added Tax

Due to the nature of the Engineering Council's income sources, almost all VAT incurred on purchases is irrecoverable. Irrecoverable VAT input charges have therefore been included in the expenditure areas to which they relate.

**Notes to the financial statements
for the year ended 31 December 2024**

3. Critical accounting estimates and areas of judgment

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Defined benefit pension scheme

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

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

The charity also contributes to the Engineering Council Pension Scheme. The scheme is a defined benefit scheme in accordance with section 28 of FRS 102. Service costs, curtailments, settlement gains and losses, net financial returns and remeasurement gains and losses are included in the Statement of Financial Activities in the year to which they relate.

Changes in the assets and liabilities of the scheme in the year are disclosed and allocated as follows:

- Changes relating to current or past service costs and gains and losses on settlements and curtailments and pension finance costs arising from changes in the net of the interest costs and expected return on assets, are allocated to the relevant activity heading based on staff costs of employees within the scheme.
- Pension finance charges arising from similar changes are recognised as expenditure.
- Remeasurement gains and losses are recognised as other recognised gains and losses.

The assets, liabilities and movements in the surplus or deficit of the scheme are calculated by qualified independent actuaries as an update to the latest full actuarial valuation.

Details of the scheme assets and liabilities and major assumptions are shown in note 24.

Tangible fixed assets

The useful economic lives of tangible fixed assets are based on management's judgement and experience. When management identifies that accrual useful economic lives differ materially from the estimates used to calculate depreciation, that charge is adjusted retrospectively. Although tangible fixed assets are significant, variances between actual and estimated useful economic lives will not have a material impact on the operating results. Historically, no changes have been required.

In the view of the trustees, no assumptions concerning the future or estimation uncertainty affecting assets or liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

The Engineering Council

Notes to the financial statements for the year ended 31 December 2024

4. Income from charitable activities

	Restricted funds 2024 £	Unrestricted funds 2024 £	Total funds 2024 £
Grants	136,187	2,952,451	3,088,638
FEANI income	-	92,711	92,711
Admin fee from EngineeringUK	-	12,000	12,000
Professional services	-	13,500	13,500
MCP license fees	-	31,000	31,000
	<u>136,187</u>	<u>3,101,662</u>	<u>3,237,849</u>

Prior year - 2023

	<i>Restricted funds 2023 £</i>	<i>Unrestricted funds 2023 £</i>	<i>Total funds 2023 £</i>
Grants	121,802	2,811,859	2,933,661
FEANI income	-	85,388	85,388
Admin fee from EngineeringUK	-	14,290	14,290
Professional services	-	13,000	13,000
MCP license fees	-	31,000	31,000
	<u>121,802</u>	<u>2,955,537</u>	<u>3,077,339</u>

The Engineering Council

Notes to the financial statements for the year ended 31 December 2024

5. Other trading activities

	Unrestricted funds 2024 £	Total funds 2024 £
Trading income	10,927	10,927
Stamp purchases	(3,065)	(3,065)
	<u>7,862</u>	<u>7,862</u>

Prior year - 2023

	<i>Unrestricted funds 2023 £</i>	<i>Total funds 2023 £</i>
Trading income	7,210	7,210
Stamp purchases	(2,523)	(2,523)
	<u>4,687</u>	<u>4,687</u>

Trading income comprises professional stamps and replacement registration certificates.

6. Investment income

	Unrestricted funds 2024 £	Total funds 2024 £
Interest from fixed asset investments	72,458	72,458
Bank interest receivable	14,589	14,589
	<u>87,047</u>	<u>87,047</u>

The Engineering Council

Notes to the financial statements for the year ended 31 December 2024

Prior year - 2023

	<i>Unrestricted funds 2023 £</i>	<i>Total funds 2023 £</i>
Interest from fixed asset investments	22,734	22,734
Bank interest receivable	5,319	5,319
	<u>28,053</u>	<u>28,053</u>

7. Analysis of expenditure by activities

	Activities undertaken directly 2024 £	Support costs 2024 £	Total funds 2024 £
Charitable activities	<u>3,228,270</u>	<u>403,739</u>	<u>3,632,009</u>

Prior year - 2023

	<i>Activities undertaken directly 2023 £</i>	<i>Support costs 2023 £</i>	<i>Total funds 2023 £</i>
Charitable activities	<u>2,849,385</u>	<u>318,558</u>	<u>3,167,943</u>

The Engineering Council

Notes to the financial statements for the year ended 31 December 2024

8. Direct costs

	Restricted funds 2024 £	Unrestricted funds 2024 £	Total funds 2024 £
Pension expense (note 12)	-	264,000	264,000
Project spend	-	225,958	225,958
Recruitment and temporary staff	-	49,098	49,098
Training	-	29,209	29,209
Computer and information systems costs	-	192,256	192,256
Marketing	-	5,881	5,881
Travel and subsistence	-	84,892	84,892
Subscriptions and meetings	-	111,540	111,540
Accommodation costs	-	318,026	318,026
Wages and salaries (note 11)	136,187	1,762,281	1,898,468
Project spend wages and salaries (note 11)	-	48,942	48,942
	136,187	3,092,083	3,228,270

Prior year - 2023

	<i>Restricted funds 2023 £</i>	<i>Unrestricted funds 2023 £</i>	<i>Total funds 2023 £</i>
Pension expense (note 12)	-	229,000	229,000
Project spend	-	31,536	31,536
Recruitment and temporary staff	-	83,528	83,528
Training	-	27,471	27,471
Computer and information systems costs	-	249,328	249,328
Marketing	-	1,926	1,926
Travel and subsistence	-	50,881	50,881
Subscriptions and meetings	-	101,391	101,391
Accommodation costs	-	275,686	275,686
Wages and salaries (note 11)	121,802	1,676,836	1,798,638
	121,802	2,727,583	2,849,385

The Engineering Council

Notes to the financial statements for the year ended 31 December 2024

9. Support costs

	Unrestricted funds 2024 £	Total funds 2024 £
General support		
Telephone	10,646	10,646
Printing, stationery and office supplies	55,334	55,334
Maintenance of equipment	27,858	27,858
Sundries	5,598	5,598
Rental of office equipment	8,265	8,265
Bank charges	11,402	11,402
Accountancy	3,975	3,975
Legal and professional	72,650	72,650
Insurance	61,297	61,297
Application fees	28,206	28,206
Depreciation	59,477	59,477
Exchange rate variance	17	17
Governance	344,725	344,725
Accountancy	26,731	26,731
Auditors' remuneration	32,283	32,283
	403,739	403,739

Support costs are allocated in full to the only charitable activity of the charity.

The Engineering Council

Notes to the financial statements for the year ended 31 December 2024

Prior year - 2023

	<i>Unrestricted funds 2023 £</i>	<i>Total funds 2023 £</i>
General support		
Telephone	10,674	10,674
Printing, stationery and office supplies	46,658	46,658
Maintenance of equipment	31,902	31,902
Sundries	6,786	6,786
Rental of office equipment	8,309	8,309
Bank charges	9,010	9,010
Accountancy	4,200	4,200
Legal and professional fees	22,049	22,049
Insurance	52,913	52,913
Application fees	21,680	21,680
Office move costs	1,224	1,224
Depreciation	57,548	57,548
Exchange rate variance	23	23
	<hr/> 272,976	<hr/> 272,976
Governance		
Accountancy	26,673	26,673
Auditors' remuneration	18,909	18,909
	<hr/> 318,558	<hr/> 318,558

10. Auditor's remuneration

	2024 £	2023 £
Fees payable to the charity's auditor for the audit of the charity's annual accounts - excluding VAT	19,600	18,909

**Notes to the financial statements
for the year ended 31 December 2024**

11. Staff costs

	2024 £	2023 £
Wages and salaries	1,558,653	1,464,791
Social security costs	172,879	161,796
Contribution to defined contribution pension schemes	479,878	401,051
	2,211,410	2,027,638

Included within staff costs is £48,942, which relates to project costs (2023: £Nil).

There were no ex-gratia termination payments included within wages and salaries during the year. (2023: £Nil).

The average number of persons employed by the charity during the year was as follows:

2024 No.	2023 No.
31	30

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2024 No.	<i>As restated</i> 2023 No.
In the band £60,001 - £70,000	2	-
In the band £70,001 - £80,000	1	1
In the band £90,001 - £100,000	-	1
In the band £100,001 - £110,000	1	-
In the band £130,001 - £140,000	-	1
In the band £150,001 - £160,000	1	-

The total employment benefits of the key management personnel were £569,892 including employer's national insurance contributions of £49,861 (2023 - £531,747 including employer's national insurance contributions of £48,529).

12. Pension expense

	2024 £	2023 £
Interest on pension scheme liabilities	420,000	449,000
Interest on scheme assets	(420,000)	(449,000)
Administrative expenses	264,000	229,000
	264,000	229,000

**Notes to the financial statements
for the year ended 31 December 2024**

13. Trustee's remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2023 - £NIL).

During the year ended 31 December 2024, expenses totalling £10,241 were reimbursed or paid directly to 14 Trustees (2023 - £10,909 to 15 Trustees) for travel expenses incurred.

14. Tangible fixed assets

	Fixtures and fittings £	Office equipment £	Computer equipment £	Total £
Cost or valuation				
At 1 January 2024	444,399	33,341	323,557	801,297
Additions	-	-	26,781	26,781
At 31 December 2024	444,399	33,341	350,338	828,078
Depreciation				
At 1 January 2024	370,330	33,101	314,613	718,044
Charge for the year	49,625	240	9,613	59,478
At 31 December 2024	419,955	33,341	324,226	777,522
Net book value				
At 31 December 2024	24,444	-	26,112	50,556
At 31 December 2023	74,069	240	8,944	83,253

Notes to the financial statements
for the year ended 31 December 2024

15. Fixed asset investments

	Listed investments £
Cost or valuation	
At 1 January 2024	2,243,002
Additions	433,967
Disposals	(348,493)
Revaluations	101,373
	<hr/>
At 31 December 2024	2,429,849
	<hr/>
Net book value	
At 31 December 2024	2,429,849
	<hr/>
At 31 December 2023	2,243,002
	<hr/>

16. Debtors

	2024 £	2023 £
Due within one year		
Trade debtors	1,691	7,712
Amounts owed by group undertakings	4,627	-
Other debtors	3,323	-
Prepayments and accrued income	55,521	156,458
	<hr/>	<hr/>
	65,162	164,170
	<hr/>	<hr/>

17. Creditors: Amounts falling due within one year

	2024 £	2023 £
Trade creditors	45,706	54,374
Amounts owed to group undertakings	-	98,965
Other taxation and social security	76,939	68,639
Accruals	257,387	187,001
	<hr/>	<hr/>
	380,032	408,979
	<hr/>	<hr/>

**Notes to the financial statements
for the year ended 31 December 2024**

18. Statement of funds

Statement of funds - current year

	Balance at 1 January 2024 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 December 2024 £
Unrestricted funds					
General Funds	3,341,403	3,199,636	(3,498,887)	229,373	3,271,525
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Restricted funds					
Pension fund grant	-	136,187	(136,187)	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total of funds	3,341,403	3,335,823	(3,635,074)	229,373	3,271,525
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Pension fund grant

This represents the grant from EngineeringUK which was paid into the defined benefit pension scheme as a lump-sum contribution following consultation with the actuaries.

Notes to the financial statements
for the year ended 31 December 2024

18. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 January 2023 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 December 2023 £
Unrestricted funds					
General Funds	3,163,483	2,990,800	(3,048,664)	235,784	3,341,403
Restricted funds					
Pension fund grant	-	121,802	(121,802)	-	-
Total of funds	<u>3,163,483</u>	<u>3,112,602</u>	<u>(3,170,466)</u>	<u>235,784</u>	<u>3,341,403</u>

19. Summary of funds

Summary of funds - current year

	Balance at 1 January 2024 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 December 2024 £
General funds	3,341,403	3,199,636	(3,498,887)	229,373	3,271,525
Restricted funds	-	136,187	(136,187)	-	-
	<u>3,341,403</u>	<u>3,335,823</u>	<u>(3,635,074)</u>	<u>229,373</u>	<u>3,271,525</u>

Summary of funds - prior year

	Balance at 1 January 2023 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 December 2023 £
General funds	3,163,483	2,990,800	(3,048,664)	235,784	3,341,403
Restricted funds	-	121,802	(121,802)	-	-
	<u>3,163,483</u>	<u>3,112,602</u>	<u>(3,170,466)</u>	<u>235,784</u>	<u>3,341,403</u>

**Notes to the financial statements
for the year ended 31 December 2024**

20. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2024 £	Total funds 2024 £
Tangible fixed assets	50,556	50,556
Fixed asset investments	2,429,849	2,429,849
Current assets	1,171,152	1,171,152
Creditors due within one year	(380,032)	(380,032)
Total	3,271,525	3,271,525

Analysis of net assets between funds - prior period

	<i>Unrestricted funds 2023 £</i>	<i>Total funds 2023 £</i>
Tangible fixed assets	83,253	83,253
Fixed asset investments	2,243,002	2,243,002
Current assets	1,424,127	1,424,127
Creditors due within one year	(408,979)	(408,979)
Total	3,341,403	3,341,403

21. Reconciliation of net movement in funds to net cash flow from operating activities

	2024 £	<i>As restated 2023 £</i>
Net (expenditure)/income for the period (as per Statement of Financial Activities)	(197,878)	70,920
Adjustments for:		
Depreciation charges	59,478	57,547
Dividends, interests and rents from investments	14,910	(5,574)
Decrease/(increase) in debtors	99,009	(77,247)
(Decrease)/increase in creditors	(28,947)	61,638
Pension adjustments	128,000	107,000
Net cash provided by operating activities	74,572	214,284

The Engineering Council

Notes to the financial statements for the year ended 31 December 2024

22. Analysis of cash and cash equivalents

	2024 £	2023 £
Cash in hand	1,105,990	1,259,957
Total cash and cash equivalents	1,105,990	1,259,957

23. Analysis of changes in net debt

	At 1 January 2024 £	Cash flows £	At 31 December 2024 £
Cash at bank and in hand	1,259,957	(153,967)	1,105,990
	1,259,957	(153,967)	1,105,990

**Notes to the financial statements
for the year ended 31 December 2024**

24. Pension commitments

The charity operates a defined benefit pension scheme.

The Engineering Council contributes to a contracted-out defined benefit pension scheme, The Engineering Council Pension Scheme. This scheme was closed to new entrants on 3 July 2002.

The full actuarial valuation as at 31 December 2018 was updated to the Scheme's accounting date by an independent qualified actuary in accordance with FRS102. As required by FRS102, the actuarial method adopted to calculate the present value of member's expected benefits is the projected unit method.

Following consultation with the actuaries, The Engineering Council made a lump-sum contribution of £105,000 in March 2019.

The last completed actuarial valuation was as at 31 December 2021. This showed the Scheme's assets were sufficient to cover the liabilities on the funding basis. No deficit reduction contributions are therefore required to be paid by the Company.

The present value of the liability to meet future pension obligations of members is arrived at by applying a discount rate equivalent to the return expected to be derived from a class AA corporate bond. At 31 December 2024 this was 5.50% (2023 - 4.50%).

The assets of the scheme are valued at their market value at the balance sheet date. This value will therefore fluctuate materially from year to year in response to market conditions.

The Engineering Council is the principal employer and Engineering UK is a participating employer under this scheme. The proportion of the total scheme fund attributable to Engineering Council staff and ex-Engineering Council staff is 100% (2023 - 100%). On withdrawal from the Scheme by Engineering Council or closure, assets would be segregated in a similar proportion.

The Scheme closed to future accrual with effect from 30 April 2012.

Principal actuarial assumptions at the Balance sheet date (expressed as weighted averages):

	2024	2023
Discount rate	5.50%	4.50%
Retail price inflation	3.40%	3.40%
Future salary increases	3.30%	3.30%

The assets in the scheme and the expected rates of return were:

	2024	2023
	£	£
Equities	1,993,320	1,777,690
Bonds	7,403,760	8,574,740
Cash	94,920	104,570
	9,492,000	10,457,000

The actual return on scheme assets was £(202,000) (2023 - £506,000).

The Engineering Council

Notes to the financial statements for the year ended 31 December 2024

The amounts recognised in the Balance sheet are as follows:

	2024 £	2023 £
Present value of funded obligations	(8,577,000)	(9,646,000)
Unrecognised past service cost	9,492,000	10,457,000
	<hr/>	<hr/>
Surplus in scheme	915,000	811,000
Adjustment for non-recoverable surplus	(915,000)	(811,000)
	<hr/>	<hr/>
Net assets	-	-
	<hr/> <hr/>	<hr/> <hr/>

The charity has an unrecognised surplus of £915,000 (2023 - £811,000) in respect of its defined benefit pension scheme as it does not expect to recover the plan surplus either through reduced contributions in the future or through refunds from the plan.

The amounts recognised in the Statement of financial activities are as follows:

	2024 £	2023 £
Interest on obligation	(420,000)	(449,000)
Expected return on scheme assets	420,000	449,000
Administrative expenses	(264,000)	(229,000)
	<hr/>	<hr/>
Total amount recognised in the Statement of financial activities	(264,000)	(229,000)
	<hr/> <hr/>	<hr/> <hr/>

The actuarial gain on the scheme at year end was £232,000 (2023 - loss £147,000).

Movements in the present value of the defined benefit obligation were as follows:

	2024 £	2023 £
Opening defined benefit obligation	9,646,000	9,702,000
Interest cost	420,000	449,000
Actuarial losses/(gains)	(854,000)	204,000
Benefits paid	(635,000)	(709,000)
	<hr/>	<hr/>
Closing defined benefit obligation	8,577,000	9,646,000
	<hr/> <hr/>	<hr/> <hr/>

**Notes to the financial statements
for the year ended 31 December 2024**

Changes in the fair value of scheme assets were as follows:

	2024 £	2023 £
Opening fair value of scheme assets	10,457,000	10,767,000
Expected return on assets	420,000	449,000
Actuarial gains/(losses)	(622,000)	57,000
Contributions by employer	136,000	122,000
Benefits paid	(635,000)	(709,000)
Administrative expenses	(264,000)	(229,000)
	<u>9,492,000</u>	<u>10,457,000</u>

The charity contributed £136,000 to its Defined benefit pension scheme in 2024 expecting to increase annually on 1 January at 3.4% per annum

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	2024	2023
Equities and property	21%	17%
Bonds	78%	82%
Cash	1%	1%

Stakeholder and other pension schemes

The board at a meeting on 3 July 2002 decided to no longer offer entry to The Engineering Council Pension Scheme to new staff and nominated a stakeholder pension scheme instead. This is a defined contribution scheme operated by Scottish Widows and is not contracted out for the earnings related part of the State Pension Scheme. The employer contributes 10% of pensionable salary and the employee 5%.

The Engineering Council employer contributions during 2023 were £215,691 (2023 - £172,249).

25. Operating lease commitments

At 31 December 2024 the charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2024 £	2023 £
Not later than 1 year	2,661	148,136
Later than 1 year and not later than 5 years	12,012	14,673
	<u>14,673</u>	<u>162,809</u>

**Notes to the financial statements
for the year ended 31 December 2024**

26. Related party transactions

EngineeringUK is a related party to the Engineering Council. Under the Engineering Council supplemental charter which came into effect on 22 March 2002, EngineeringUK may nominate 7 of its 22 Board members. By its Regulations, the Engineering Council has assigned all income from its registration fees to EngineeringUK. Changes to this regulation cannot be made without EngineeringUK's approval. The level of fee is determined by EngineeringUK.

During the year ended 31 December 2024, the following transactions took place between the parties arising from the above:

EngineeringUK provided a grant to the Engineering Council of £2,952,451 (2023 - £2,811,859) to fund its operation plus £136,187 (2023: £121,802) for the pension scheme.

To cover use of shared space, The Engineering Council charged EngineeringUK £12,000 (2023 - £14,290) in the year.

On 31 December 2024, EngineeringUK owed Engineering Council the sum of £4,628 (2023 - £98,965). This amount is disclosed within debtors falling due within one year.

There were no other related party transactions within debtors in the current or the prior year.

The Engineering Council

Notes to the financial statements for the year ended 31 December 2024

27. Comparative statement of financial activities

	<i>Restricted funds 2023 £</i>	<i>Unrestricted funds 2023 £</i>	<i>Total funds 2023 £</i>
Income from:			
Charitable activities	121,802	2,955,537	3,077,339
Other trading activities	-	7,210	7,210
Investments	-	28,053	28,053
Total income	<u>121,802</u>	<u>2,990,800</u>	<u>3,112,602</u>
Expenditure on:			
Raising funds	-	(2,523)	(2,523)
Charitable activities	<u>(121,802)</u>	<u>(3,046,141)</u>	<u>(3,167,943)</u>
Total expenditure	<u>(121,802)</u>	<u>(3,048,664)</u>	<u>(3,170,466)</u>
Net income before investment gains/(losses)	-	(57,864)	(57,864)
Net gains/(losses) on investments	-	128,784	128,784
Net income before other recognised gains and losses	-	70,920	70,920
Derecognition of pension surplus	-	(147,000)	(147,000)
Actuarial gains on defined benefit pension scheme	-	254,000	254,000
Net movement in funds	-	177,920	177,920
Reconciliation of funds:			
Total funds brought forward	-	3,163,483	3,163,483
Total funds carried forward	<u>-</u>	<u>3,341,403</u>	<u>3,341,403</u>