

WHITWORTH SCHOLARSHIP'S FUND

England & Wales · Charity number 313756

Details

Status Registered

Legal form Trust

Registered 1963-04-17

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

Contact

Address Institution Of Mechanical Engineers
1 Birdcage Walk
London
SW1H 9JJ

Phone 02073046998

Email j_gibbins@imeche.org

Website www.imeche.org.uk

Activities

Objects: THE PROMOTION OF THE ENGINEERING AND MECHANICAL INDUSTRY OF THE COUNTY BY THE AWARD OF SCHOLAR-SHIPS FOR THE FURTHER EDUCATION OF YOUNG PERSONS, NATIVES OF THE UNITED KINGDOM, SELECTED BY OPEN COMPETITION FOR THEIR INTELLIGENCE AND PROFICIENCY IN THE THEORY AND PRATICE OF MECHANICS AND ITS COGNATE SCIENCES.

Activities: Make awards to suitably qualified applicants to enable them to study engineering

Classification

- **How:** Makes Grants To Individuals
- **What:** Education/training
- **Who:** Other Defined Groups

Geography

- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£233,832	£379,471	-	-
2023-12-31	£240,472	£308,118	-	-
2022-12-31	£236,974	£270,745	-	-
2021-12-31	£208,025	£278,192	-	-
2020-12-31	£193,283	£208,338	-	-

Trustees

Name	Role	Appointed
INSTITUTION OF MECHANICAL ENGINEERS		

WHITWORTH SCHOLARSHIP'S FUND

England & Wales - Charity number 313756

Accounts

Whitworth Scholarship's Fund

**Trustee Board's Report and Annual Accounts
For the Year Ended 31 December 2024**

Registered Charity No: 313756 (England and Wales)

Whitworth Scholarship's Fund for the year ended 31 December 2024

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Whitworth Scholarship's Fund for the year ended 31 December 2024

Legal and Administrative Information

Name:	Whitworth Scholarship's Fund	
Charity Number:	313756	
Trustee:	The Institution of Mechanical Engineers 1 Birdcage Walk, Westminster London SW1H 9JJ	
Chief Executive Officer:	Alice Bunn	
Administrator:	IMechE Prizes Awards Eagle House Sudbury Road, Great Whelnetham, Bury St Edmunds, Suffolk IP30 0UN	
Bankers:	CAF Bank Ltd (until 31 March 2024) PO Box 289 Kings Hill, West Malling Kent ME19 4TA NatWest Bank 7 Cornhill, Bury Saint Edmunds IP33 1BQ	
Auditor:	MHA Statutory Auditor 6 th Floor 2 London Wall Place London, United Kingdom EC2Y 5AU	
Investment Manager:	Blackrock Investment Management (UK) Limited 33 King William Street London EC4R 9AS Schroder & Co. Limited (from 31 March 2024) 12 Moorgate, London EC2R 6DA	(until 31 March 2024)

Whitworth Scholarship's Fund for the year ended 31 December 2024

Legal and Administrative Information (*continued*)

Governing Instruments:

Deed of Trust between Sir Joseph Whitworth and the Secretary of State for Education dated 23 September 1868

Charity Commissioners for England and Wales Scheme dated 11 December 2001

Whitworth Scholarship's Fund for the year ended 31 December 2024

Trustee's Report

The Trustee presents its report along with the financial statements of the Fund for the year ended 31 December 2024. The financial statements have been prepared in accordance with the accounting policies set out below and comply with the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in 2019.

Governance and Management

The Whitworth Scholarship's Fund was established in 1868 under a deed of covenant and trust between Sir Joseph Whitworth, a leading manufacturer of machine tools, and the then President of the Committee of Council on Education. The Fund is now governed under the terms of a Scheme made by the Charity Commission for England and Wales dated 11 December 2001.

The objects of the Fund, as stated in the Scheme, are to promote education in all engineering disciplines with a preference for mechanical engineering through the award of:

- Scholarships to suitably qualified applicants to enable them to study engineering, with a preference for mechanical engineering, at any establishment approved by the trustee; and
- Prizes for solutions to real problems encountered in the workplace by engineers following an accredited programme of work-based training.

Objectives and Activities

Under the terms of the Scheme dated 11 December 2001, the Institution of Mechanical Engineers (IMechE) succeeded the Secretary of State for Education and Skills as sole trustee of the Fund.

The IMechE administers the Fund assisted by the IMechE Whitworth Awards Panel, which advises the IMechE in making decisions on the awards. Membership of the Panel includes representatives from the Whitworth Society, UKRI, academia and the engineering professions. Panel members are not remunerated but may claim reasonable travel and subsistence expenses.

General costs of administering the Fund are borne by Whitworth Fund but costs incurred in selection of scholars are reimbursed out of votes of Parliament.

Value of Scholarships

The awards are flexible to recognise the many study modes. The Whitworth Scholarship award supporting Undergraduate/MSc students was valued at £9,000 full-time and typically £3,000 p.a. part-time. The Senior Scholarship supporting Postgraduate research was valued at £15,000 p.a.

The Whitworth Awards Panel, in the first part of 2024, sought applications for the Awards, with 34 applications received for the Whitworth Scholarship Awards and 5 applications received for the Whitworth Senior Scholarship Awards. 25 candidates were called for an interview for the Whitworth Scholarship Awards and 4 candidates for the Whitworth Senior Scholarship Awards, which were held at 1 Birdcage Walk on Wednesday, 21 and Thursday 22 August 2024. Following the interviews 20 new Whitworth Scholarship Award Holders and 4 new Whitworth Senior Scholarship Award Holders were chosen to receive an award.

Whitworth Scholarship's Fund for the year ended 31 December 2024

Value of Scholarships (continued)

The 4 Whitworth Senior Scholarship Awards for 2024 were awarded to support PhD research in:

Deployable antennas for small satellites at The University of Oslo. Smart wound dressings for on-demand analgesic and antimicrobial therapeutic at The University of Leeds. Ultra-precision diamond machining of Quantum Technology Systems at The University of Southampton. Mechanical Engineering - Experimental and numerical studies into the wear of articulating spline couplings for aeroengine applications at The University of Nottingham.

Nine award holders completed their degree courses and were elected "Whitworth Scholars" and 1 Whitworth Senior Scholarship Award Holder completed their PhD in "The Development of a Wearable Acoustic Emission (AE) Device for the Monitoring of Knee Joint Health" at Cardiff University and was elected "Whitworth Senior Scholar".

The Whitworth Awards Ceremony, celebrating the achievements of Award Holders and Scholars from 2024, was held on 11 December 2024. The Ceremony was officiated by James Partington, IMechE Director – Engineering, Policy and Impact. Professor Karl Dearn, WhSch, WhSSch Chair of the Whitworth Awards Panel, introduced the Whitworth Scholarship Awards. Past President Terry Spall presented the certificates and medals with Rachael Hoyle WhSch, President of the Whitworth Society, who also addressed the meeting.

Whitworth Scholarship's Fund for the year ended 31 December 2024

Trustee's Report (continued)

Achievements and Performance

During the year 2024, the Whitworth Scholarship Fund transitioned its investment management responsibilities from Blackrock to Cazenove Capital, effective date 31 March 2024. All relevant investments were transferred accordingly. The transition was executed smoothly, with no material impact on the financial position or performance of the Funds.

Income from the investment portfolios and bank deposits amounted to £233,832 (2023: £ 238,670). No bank interest was received due to the closure of the CAF bank account (2023: £1,802). The fund paid £315,250 as scholarships to students (2023: £254,781). The administration cost of the funds was £25,943 (2023: £14,724) and the fund management fee came to £38,278, (2023: £38,613). The result was a net expenditure before gain on investment assets of £145,639 (net expenditure 2023: £ 67,646). As a result of a positive movement in the Stock Market the closing value of the Expendable Endowment Fund increased to £4,435,641 (2023: £4,193,856). The closing value of the Unrestricted Fund increased to £2,801,373 (2023: £2,788,447) due primarily to the increase in the net gains on investment assets.

All the Fund's income is generated from investments and bank deposits. The investments of the Fund are held in the form of Common Investment Funds that are suitable for a Fund of this nature. The Permanent Endowment Fund represents the original donation made by Sir Joseph Whitworth to provide income to pay for scholarships. The Unrestricted Fund represents accumulations of unspent income that has accrued during the long history of the Trust; most of this income has been reinvested to generate an additional source of income to fund scholarships.

The Fund reviews the performance of the investments on a quarterly basis and aims to formally meet the investment manager at least once a year. The Trustee has established an investment policy which takes social, environmental and ethical considerations into account and includes the following principles:

1. A diversity of investments will be held.
2. Investment policy will be appropriate to the needs of the Fund.
3. Appropriately authorised investment managers will be employed.
4. Appropriately authorised nominees may be employed to hold individual stocks and shares.

The fund's financial objectives on investments are as follows:

1. Ensure sufficient funds to support the charity's mission over long-term including building reserves for future financial needs
2. Maximise the impact of donations by allocating resources efficiently towards activities aligned with the charity's goals
3. Adhere to legal regulatory and ethical standards in financial reporting
4. Provide clear and accurate financial reports to stakeholders
5. Maintain sufficient liquidity to meet short-term obligations

The following social and ethical considerations apply to the fund:

1. All financial activities align with the charity's mission to promote education in all engineering disciplines with a preference for mechanical engineering
2. Following ethical investment policies by excluding investing in industries that cause social or environmental harm
3. Maintain honesty and openness in financial reporting and operations
4. Financial decisions have been made free from personal and institutional conflict of interest

Whitworth Scholarship's Fund for the year ended 31 December 2024

Trustee's Report (continued)

Risk Management

The IMechE has reviewed the major risks to which the Fund is exposed. The principal risks facing the Fund are those related to the income and finances of the Fund. The year 2024 was a challenging year characterised by higher inflation, geopolitical instability, and market volatility. The IMechE has taken steps as far as possible to mitigate exposure to those risks by keeping the Investment Policy under review, including the mix of investments held and monitoring expenditure.

Reserves policy

Unrestricted reserves at 31 December 2024 were £2,801,373 (2023: £2,788,447). The Trust Fund also has a permanent endowment fund; its year-end balance was £4,435,641 (2023: £4,193,856). IMechE has set a target of utilizing all the available income for scholarships provided candidates of sufficient merit can be found.

The Trust has a policy which requires that the level of free reserves should reflect at least six months of charitable spend, in addition to long term multi-year scholarship commitment due within one year. The minimum unrestricted reserves required at the end of year was £516k. With the unrestricted reserves at the year-end being £2.8m the fund is in compliance with its reserve policy and is also maintaining slightly under £2.3m in excess of the required minimum level.

Public Benefit

The IMechE confirms that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Fund's aims and objectives and in planning future activities and setting the grant-making policy for the year.

Future developments

The Whitworth Awards Panel constantly reviews the scheme and at present have agreed not to make any changes for 2024.

Recruitment and appointment of the Trustees

The Trust Deed states that the Institution of Mechanical Engineers is the Trustee of the Scheme. The institution of Mechanical Engineers is governed by a Trustee Board comprising of members of the Institution elected to office by Corporate and Associate Members, through an annual election process as detailed in the Royal Charter and By-laws of the Institution.

Whitworth Scholarship's Fund for the year ended 31 December 2024

Statement of Trustee's Responsibilities

Statement of Trustee's responsibilities in respect of Trustee's annual report and the financial statements

The Trustee is responsible for preparing the Trustee's Annual Report and the financial statements in accordance with applicable law and regulations.

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

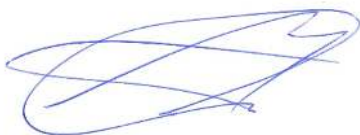
In preparing these financial statements, generally accepted accounting practice entails that the Trustee:

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

The Trustee is required to act in accordance with the trust deed of the Fund, within the framework of trust law. The Trustee is responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

The Trustee's Report was approved by the Trustee Board of the Institution of Mechanical Engineers on 31 July 2025 and was signed on its behalf by:



Matt Garside
President



Dr Richard Judge
Treasurer

Whitworth Scholarship's Fund

Independent Auditor's Report to the Trustees of Whitworth Scholarship's Fund For the year ended 31 December 2024

Opinion

We have audited the financial statements of Whitworth Scholarship's Fund (the 'Charity') for the year ended 31 December 2024 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:
give a true and fair view of the state of the Charity's affairs as at 31 December 2024, and of its incoming resources and application or resources for the year then ended;
have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustee's 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 Trustee with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditor's Report thereon. The Trustee is responsible for the other information contained within the 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.

Whitworth Scholarship's Fund

Independent Auditor's Report to the Trustees of Whitworth Scholarship's Fund (continued) For the year ended 31 December 2024

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Report) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Trustee's Report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the 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 The Trustees

As explained more fully in the Trustee's responsibilities statement set out in the Trustee's report, the Trustee is 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 Trustee 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 Trustee is 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 Trustee either intends 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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

- Obtaining an understanding of the legal and regulatory frameworks that the entity operates in, focusing on those laws and regulations that had a direct effect on the financial statements;
- Enquiry of management and those charged with governance to identify any instances of known or suspected instances of fraud;
- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Enquiry of management about any instances of noncompliance with laws and regulations;
- Reviewing the design and implementation of control systems in place;
- Testing the operational effectiveness of the controls;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness;
- Evaluating the business rationale of significant transactions outside the normal course of business;
- Reviewing significant accounting estimates for bias;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

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.

Whitworth Scholarship's Fund

Independent Auditor's Report to the Trustees of Whitworth Scholarship's Fund (continued) For the year ended 31 December 2024

Use of our report

This report is made solely to the Charity's Trustee, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the Charity's Trustee those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charity and its Trustee, as a body, for our audit work, for this report, or for the opinions we have formed.



MHA, Statutory Auditor
London, United Kingdom

Date: 05/08/2025

MHA is the trading name of MHA Audit Services LLP, a limited liability partnership in England and Wales (registered number OC455542)

MHA are eligible to act as auditors in terms of section 1212 of the Companies Act.

Whitworth Scholarship's Fund

Statement of Financial Activities

For the year ended 31 December 2024

	Notes	Unrestricted Funds £	Endowment Funds £	2024 Total £	2023 Total £
Income and endowments from:					
Investments					
Interest & Dividend	2	92,247	141,585	233,832	238,670
Bank interest & Other income		-	-	-	1,802
Total		92,247	141,585	233,832	240,472
Expenditure on:					
Charitable activities					
Scholarships, Prizes and administration	6	(379,471)	-	(379,471)	(308,118)
Total		(379,471)	-	(379,471)	(308,118)
Net (expenditure) before gains/(losses) on investment assets		(287,224)	141,585	(145,639)	(67,646)
Net gains/(losses) on investment assets	10	158,565	241,785	400,350	346,253
Net income/(expenditure)		(128,659)	383,370	254,711	278,607
Reconciliation of funds:					
Net movement in funds:		(128,659)	383,370	254,711	278,607
Transfer of funds		141,585	(141,585)	-	
Total funds brought forward	10	2,788,447	4,193,856	6,982,303	6,703,696
Total funds carried forward	10	2,801,373	4,435,641	7,237,014	6,982,303

The Fund has no recognised gains or losses for the year other than as detailed above. The net movements in the Fund's funds for the year arise from the Fund's continuing activities.

The Notes on pages 16-22 form part of these accounts.

Summary of Financial Activities for the year ended 31 December 2023

	Notes	2023 Unrestricted Funds £	2023 Endowment Funds £	2023 Total £
Total income		240,472	-	240,472
Total expenditure	6	(308,118)	-	(308,118)
Net Gains on investment assets		138,371	207,882	346,253
Net income/(expenditure)		70,725	207,882	278,607
Reconciliation of funds:				
Net movement in funds:		70,725	207,882	278,607
Total funds brought forward	10	2,717,722	3,985,974	6,703,696
Total funds carried forward:	10	2,788,447	4,193,856	6,982,303

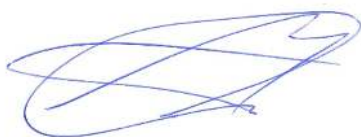
Whitworth Scholarship's Fund

Balance Sheet

As at 31 December 2024

	Note	2024 £	2023 £
Fixed assets:			
Investments	7	7,029,600	6,925,233
Current assets:			
Debtors	8	46,322	59,714
Cash at bank and in hand		216,244	56,491
Total current assets		262,566	116,205
Liabilities:			
Creditors: Amounts falling due within one year	9	(55,152)	(59,135)
Net current assets		207,414	57,070
Total net assets		7,237,014	6,982,303
 The funds of the charity:			
Endowment funds	10	4,435,641	4,193,856
Total unrestricted funds	10	2,801,373	2,788,447
Charity funds		7,237,014	6,982,303

These financial statements, including notes on pages 16-22 were approved by the Trustee Board of the Institution of Mechanical Engineers on 31 July 2025 and were signed on its behalf by:



Matt Garside
President



Dr Richard Judge
Treasurer

Whitworth Scholarship's Fund

Statement of Cash Flows
For the year ended 31 December 2024

	2024	2023	
	£	£	
Cash flows from operating activities:			
Net cash used in operating activities	(370,063)	(432,995)	
Cash flows from investing activities			
Dividends, interest from investments	233,832	240,472	
Sale of investments	7,236,282	210,000	
Purchase of investments	(6,920,000)	-	
Net cash provided by investing activities	550,114	450,472	
<i>Change in cash and cash equivalents in the reporting period</i>	180,051	17,477	
<i>Cash and cash equivalent at the beginning of reporting period</i>	56,491	39,014	
<i>Cash and cash equivalent at end of reporting period</i>	236,542	56,491	
Reconciliation of net income to net cash flow from operating activities	2024	2023	
	£	£	
Net income as per the statement	254,711	278,607	
Adjustments for:			
Dividends, interest from investments	(233,832)	(240,472)	
(Gains)/loss on Investments	(400,350)	(346,253)	
Decrease/(increase) in debtors	13,393	40	
Decrease/(increase) in creditors	(3,987)	(124,917)	
Net cash used in operating activities	(370,065)	(432,995)	
Analysis of Net Funds	Balance	Cash flows	Balance
	01.01.2024		31.12.2024
	£	£	£
Cash in Investment	-	20,298	20,298
Cash at bank and in hand	56,491	159,753	216,244
	56,491	180,051	236,542

Whitworth Scholarship's Fund

Notes to the Financial Statements For the year ended 31 December 2024

Accounting Policies

The Fund is registered with the Charity Commission (registered number: 313756), domiciled in the UK and is a public benefit entity. The address of the registered office is 1 Birdcage Walk, London, SW1H 9JJ. The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Fund's financial statements.

a) **Basis of preparation**

The financial statements have been prepared to give a true and fair view and have departed from the charities (Accounts and Reports) Regulation 2008 only to the extent required to give a true and fair view. The Financial Statements have been prepared in accordance with the Charities SORP. FRS102 The Financial Reporting standard applicable in the UK and Republic of Ireland, and applicable UK charity law.

This departure has involved following 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 (FRS102) effective 1 January 2019 rather than the Accounting and Reporting by Charities: Statement of recommended Practice effective from 1 April 2005 which has since been withdrawn.

The financial statements have been prepared on the historical cost basis of accounting, modified to incorporate the revaluation of investments. The financial statements are prepared in sterling, which is functional currency of the Fund. Monetary amounts in these financial statements are rounded to the nearest pound.

b) **Going Concern**

The financial statements have been prepared on a going concern basis. The financial statements do not include any adjustments that would result from the charity not being able to continue for the next 12 months. The Fund has a strong balance sheet and has access to £6.9m of available investments which could be utilised to cover expenditure if required. Therefore, there are no material uncertainties about the Fund's ability to continue as a going concern.

c) **Income**

Investment income is earned from holding assets for investment purposes and includes dividends and bank interest that are presented gross on a receivable basis.

d) **Expenditure**

Scholarship awards are recognised on an academic year basis with any sums due at the year-end in respect of the spring and summer terms being accrued. General expenditure is recognised in the period to which it relates.

Members of the Whitworth Award Panel, who are responsible for selecting Scholars, provide their time free of charge.

e) **Investments**

Investments consist of common investment funds administered by an investment manager and are valued at the year end at the bid price. It is the Fund's policy to keep valuations up to date such that when investments are sold there is no gain or loss arising relating to previous years. As a result the Statement of Financial Activities does not distinguish between the valuation adjustments relating to sales and those relating to continued holdings as they are together treated as changes in the value of the investment portfolio throughout the year.

Whitworth Scholarship's Fund

Notes to the Financial Statements (continued) For the year ended 31 December 2024

Accounting Policies (continued)

e) Investments (continued)

Listed investments are included in the Balance Sheet at fair value. Social investments are made directly in pursuit of the Whitworth Scholarship Fund's charitable purposes (i.e. the award of scholarships and prizes to eligible recipients) or with a mixed purpose to also generate a financial return (mixed motive investments). All investment management charges are included in the bid price of units. We are unable to identify investment manager fees separately and so these fees are not disclosed in the Statement of Financial Activities.

f) Grant commitments

Scholarships are awarded for the period of study, usually three years, with payments made on a termly basis.

Expenditure is not accrued beyond each academic year as future payments are subject to a performance review by the Whitworth Panel, which therefore has discretion to terminate the funding agreement in case the performance related conditions are not met.

Multi-year grants that do not meet the recognition criteria are disclosed as contingent liabilities in the notes to the financial statements.

g) Financial instruments

The Fund has elected to apply the provisions of Section 11 "Basic Financial Instruments" and Section 12 "Other Financial Instruments Issues" of FRS102 to all its financial instruments.

Financial assets are recognised in the Fund's statement of financial position when the Fund becomes party to the contractual provisions of the instrument.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

h) Critical accounting estimates and judgements

In the application of the accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. 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 affects both current and future periods.

i) Fund Accounting

Endowment Funds are permanently endowed assets, which provide unrestricted income to the Fund. Unrestricted Funds are applied according to the scheme governing the Fund.

Whitworth Scholarship's Fund

Notes to the Financial Statements (continued) For the year ended 31 December 2024

2 Investment Income

	2024	2023
	£	£
Dividends receivable from investment funds	<u>233,832</u>	<u>238,670</u>

All investment income arises from the investments detailed in note 7.

3 Taxation

Whitworth Scholarship's Fund is considered to pass the tests set out in paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable trust for UK Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable trust for UK income tax purposes. Accordingly the Fund is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 10 Income Tax Act 2007 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.

4 Trustee's Remuneration and Expenses

The Trustee neither received nor waived any remuneration or expenses during the period (2023 - Nil).

5 Employees

There were no employees in the year ended 31 December 2024 (2023 - Nil).

6 Expenditure on charitable activities

	2024	2023
	£	£
Scholarships	315,250	254,781
Prizes administration	25,943	14,724
Funds management fee	<u>38,278</u>	<u>38,613</u>
Total	<u>379,471</u>	<u>308,118</u>

* Funds management fee is the prizes and awards administration fee.

Scholarships in both 2024 and 2023 were awarded to the individuals, studying engineering either part-time or full-time, and intended for their educational needs.

The total amounts incurred in respect of audit fees in 2024 were £8,400 (2023: £9,403).

Whitworth Scholarship's Fund

Notes to the Financial Statements (continued) For the year ended 31 December 2024

7 Investments

	Market Value	Disposals	Transfer/ Additions	Movements (Dividends/ Interest/ Fees)	Net Gains & (Losses)	Market Value	Cost	Cost
	31/12/2023	31/12/2024	31/12/2024	31/12/2024	31/03/2024	31/12/2024	31/12/2024	31/12/2023
	£	£	£	£	£	£	£	£
Permanent Endowment Fund								
Charities UK Bond Fund A Inc	310,364	(304,940)	-	-	(5,424)	-	-	42,258
Charities UK Equity Fund A Inc	3,883,492	(3,868,802)	-	-	(14,690)	-	-	620,455
Multi- Asset Funds	-	(4,205,974)	8,363,802	-	261,899	4,419,727	4,181,792	0
Cash	-	-	7,646	4,644	-	12,290	-	0
Fund Total	4,193,856	(8,379,716)	8,371,448	4,644	241,785	4,432,017	4,181,792	662,713
Unrestricted Fund Holding								
Charities UK Bond Fund A Inc	172,880	(169,859)	-	-	(3,021)	-	-	127,874
Charities UK Equity Fund A Inc	2,558,497	(2,548,818)	-	-	(9,679)	-	-	636,905
Multi- Asset Funds	-	(3,030,309)	5,448,619	-	171,265	2,589,575	2,434,553	-
Cash	-	-	4,981	3,027	-	8,008	-	-
Fund Total	2,731,377	(5,748,986)	5,453,600	3,027	158,565	2,597,583	2,434,553	764,779
Total Investments	6,925,233	(14,128,702)	13,825,048	7,671	400,350	7,029,600	6,616,345	1,427,492

8 Debtors

	2024	2023
	£	£
Dividends receivable	46,322	59,714

Whitworth Scholarship's Fund

Notes to the Financial Statements (continued) For the year ended 31 December 2024

9 Creditors

	2024	2023
	£	£
Grants payable	46,750	45,250
Other creditors	8,402	13,885
Total creditors	55,152	59,135

10 Statement of Funds

	Balance at 01/01/2024	Net (expenditure) / Income	Movement	Gain/(Loss) on Investment assets	Balance at 31/12/2024
	£	£		£	£
Expendable Endowment Fund	4,193,856	141,585	(141,585)	241,785	4,435,641
Unrestricted Fund	2,788,447	(287,224)	141,585	158,565	2,801,373
Fund Total	6,982,303	(145,639)	-	400,350	7,237,014
	01/01/2023				31/12/2023
	£	£		£	£
Expendable Endowment Fund	3,985,974	-	-	207,882	4,193,856
Unrestricted Fund	2,717,722	(67,646)	-	138,371	2,788,447
Fund Total	6,703,696	(67,646)	-	346,253	6,982,303

The Expendable Endowment Fund provides the permanent capital base in the form of investments.

The Unrestricted Fund represents accumulated income most of which has been invested. The income from these investments and those held in the Permanent Endowment Fund is used to pay the scholarship awards.

Whitworth Scholarship's Fund
Notes to the Financial Statements (continued)
For the year ended 31 December 2024

11 Analysis of Net Assets between Funds

	Unrestricted Fund £	Expendable Endowment Fund £	Total 2024 £
Investments	2,593,959	4,435,641	7,029,600
Net current assets	207,414	-	207,414
Total Net Assets	2,801,373	4,435,641	7,237,014
	£	£	2023 £
Investments	2,731,377	4,193,856	6,925,233
Net current assets	57,070	-	57,070
Total Net Assets	2,788,447	4,193,856	6,982,303

12 Ultimate Parent

Control of the charity rests with the Institution of Mechanical Engineers (Charity registration number 206882, domiciled in the UK and is a public benefit entity, registered at 1 Birdcage Walk, London, SW1H 9JJ) as sole Trustee under the terms of a Scheme made by the Charity. Any amendment to the Scheme must be made by a resolution passed at special meeting of the trustee. The trustee must obtain the prior written approval of the Charities Commissioners before making any amendments that would affect the composition of the trustee or the terms on which it holds office. The Institution of Mechanical Engineers is an independent professional association, and learned society, that represents mechanical engineers and the engineering profession.

13 Grant Commitments

These sums have been provisionally approved as grants to be made to current scholars for completion of their studies, the grants are payable to individuals. Because the Trustee has further actions to take on them before releasing for payment, they have not been recognised in this year's accounts. No discounting has been applied to grant commitments due in more than one year on the basis that it would be immaterial.

	2024 £	2023 £
Scholarships due for payment within one year	352,500	165,750
Scholarships due for payment after one year	687,750	234,000
Total scholarship commitments	1,040,250	399,750

Whitworth Scholarship's Fund

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

14 Related Parties

The Institution of Mechanical Engineers administers the Prizes for Whitworth Scholarships Trust Fund. It incurs costs relating to venue hire, speakers and catering which are recharged to the Trust Fund. The amount recharged during the year ended 31 December 2024 was £5,534 (2023: £3,943 and the amount due to the Institution at the year-end was nil (2023: nil)).

15 Financial instruments

	2024	2023
	£	£
Financial assets measured at amortised cost	262,566	116,205
Financial liabilities measured at amortised cost	55,152	59,135
Financial assets measured at fair value	7,029,600	6,925,233
	<u>7,347,318</u>	<u>7,100,573</u>

WHITWORTH SCHOLARSHIP'S FUND

England & Wales - Charity number 313756

Accounts

Whitworth Scholarship's Fund

**Trustee Board's Report and Annual Accounts
For the Year Ended 31 December 2023**

Registered Charity No: 313756

Whitworth Scholarship's Fund

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Whitworth Scholarship's Fund

Legal and Administrative Information For the year ended 31 December 2023

Name:	Whitworth Scholarships Fund
Charity Number:	313756
Trustee:	The Institution of Mechanical Engineers 1 Birdcage Walk, Westminster London SW1H 9JJ
Chief Executive Officer:	Alice Bunn
Administrator:	IMechE Prizes & Awards ASK House Northgate Avenue Bury St Edmunds Suffolk IP32 6BB
Bankers:	CAF Bank Ltd PO Box 289 Kings Hill West Malling, Kent ME19 4TA Natwest Bank 7 Cornhill, Bury Saint Edmunds IP33 1BQ
Auditor:	BDO LLP 55 Baker Street, London W1U 7EU
Investment Manager:	Blackrock Investment Management (UK) Limited 33 King William Street London EC4R 9AS
Governing Instruments:	Deed of Trust between Sir Joseph Whitworth and the Secretary of State for Education dated 23 September 1868 Charity Commissioners for England and Wales Scheme dated 11 December 2001

Whitworth Scholarship's Fund

Trustee's Report

For the year ended 31 December 2023

The Trustee presents its report along with the financial statements of the Fund for the year ended 31 December 2023. The financial statements have been prepared in accordance with the accounting policies set out below and comply with the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in 2019.

Governance and Management

The Whitworth Scholarship's Fund was established in 1868 under a deed of covenant and trust between Sir Joseph Whitworth, a leading manufacturer of machine tools, and the then President of the Committee of Council on Education. The Fund is now governed under the terms of a Scheme made by the Charity Commission for England and Wales dated 11 December 2001.

The objects of the Fund, as stated in the Scheme, are to promote education in all engineering disciplines with a preference for mechanical engineering through the award of:

- Scholarships to suitably qualified applicants to enable them to study engineering, with a preference for mechanical engineering, at any establishment approved by the trustee; and
- Prizes for solutions to real problems encountered in the workplace by engineers following accredited programme of work-based training.

Objective and Activities

Under the terms of the Scheme dated 11 December 2001, the Institution of Mechanical Engineers (IMechE) succeeded the Secretary of State for Education and Skills as sole trustee of the Fund.

The IMechE administers the Fund assisted by the IMechE Whitworth Awards Panel, which advises the IMechE in making decisions on the awards. Membership of the Panel includes representatives from the Whitworth Society, UKRI, academia and the engineering professions. Panel members are not remunerated but may claim reasonable travel and subsistence expenses.

General costs of administering the Fund are borne by the IMechE but costs incurred in selection of scholars are reimbursed out of votes of Parliament.

Value of Scholarships

The awards are flexible to recognise the many study modes. The Whitworth Scholarship award supporting Undergraduate/MSc students was valued at £9,000 p.a. full-time and typically £3,000 p.a. part-time. The Senior Scholarship supporting Postgraduate research was valued at £15,000 p.a.

The Whitworth Awards Panel, in the first part of 2023, sought applications for the Awards, with 28 applications received for the Whitworth Scholarship Awards and 3 applications received for the Whitworth Senior Scholarship Awards. 24 candidates were called for interview for the Whitworth Scholarship Awards and 3 candidates for the Whitworth Senior Scholarship Awards, which were held at 1 Birdcage Walk on Wednesday, 16th and Thursday 17th August 2023. Following the interviews 16 new Whitworth Scholarship Award Holders and 3 new Whitworth Senior Scholarship Award Holders were chosen to receive an award.

Whitworth Scholarship's Fund

Trustee's Report (continued) For the year ended 31 December 2023

Value of Scholarships (continued)

The 3 Whitworth Senior Scholarship Awards for 2023 were awarded to support PhD research in:

Assured Positioning, Navigation and Timing (PNT) for Remote Robots at Warwick University. Deep Learning Based Methods for Pedestrian-Level Wind Assessment, (part-time) at Cranfield University. Electrical and Electronics Engineering, AI Enabled Control of Distributed Generation at The University of Nottingham.

Eighteen award holders completed their degree courses and were elected "Whitworth Scholars" and 1 Whitworth Senior Scholarship Award Holder completed their PhD in Cycloidal Rotor Systems at The University of Bath and was elected "Whitworth Senior Scholar". A further 1 was elected to Whitworth Scholar with the option of deferring election to undertake a master's degree.

The 40th Whitworth Awards Ceremony, celebrating the achievements of Award Holders and Scholars from 2023, was held on Thursday 7 December 2023. The Ceremony was officiated by Joanna Horton, IMechE Director – Member Operations. Professor Karl Dearn, Wh Sch, Wh SSch Chair of the Whitworth Awards Panel, introduced the Whitworth Scholarship Awards. Deputy President Dr Clive Hickman OBE presented the certificates and medals with Kevin Urquhart Wh Sch, President of the Whitworth Society, who also addressed the meeting.

Achievements and Performance

During the period covered by this report £308,118 (2022: £270,745) was paid to scholarship students and administration costs which includes a funds management fee of £38,613. Bank interest received was £1,802 (2022: £245). Income from the investment portfolios and bank deposits amounted to £238,670 (2022: £236,729) resulting in net expenditure before loss on investment assets of £67,646 (net expenditure 2022: £33,771). As a result of a positive movement in the Stock Market the closing value of the Permanent Endowment Fund increased to £4,193,856 (2022: £3,985,974) and the closing value of the Unrestricted Fund increased to £2,788,447 (2022: £2,717,722). This was mainly the result of an increase in the net gains on investment assets.

Investment Policy

All the Fund's income is generated from investments and bank deposits. The investments of the Fund are held in the form of Common Investment Funds that are suitable for a Fund of this nature. The Permanent Endowment Fund represents the original donation made by Sir Joseph Whitworth to provide income to pay for scholarships. The Unrestricted Fund represents accumulations of unspent income that has accrued during the long history of the Trust; most of this income has been reinvested to generate an additional source of income to fund scholarships.

The Fund reviews the performance of the investments on a quarterly basis and aims to formally meet the investment manager at least once a year. The Trustee has established an investment policy which takes social, environmental and ethical considerations into account and includes the following principles:

1. A diversity of investments will be held.
2. Investment policy will be appropriate to the needs of the Fund.
3. Appropriately authorised investment managers will be employed.
4. Appropriately authorised nominees may be employed to hold individual stocks and shares.

Whitworth Scholarship's Fund

Trustee's Report (continued) For the year ended 31 December 2023

Risk Management

The IMechE has reviewed the major risks to which the Fund is exposed. The principal risks facing the Fund are those related to the income and finances of the Fund. The year 2023 was a challenging year characterised by higher inflation, geopolitical instability, and market volatility. The IMechE has taken steps as far as possible to mitigate exposure to those risks by keeping the Investment Policy under review, including the mix of investments held and monitoring expenditure.

Reserves policy

Unrestricted reserves at 31 December 2023 were £2,788,447 (2022: £2,717,722). IMechE has decided to set a target of utilising all the available income for scholarships provided candidates of sufficient merit can be found. The Trust Fund also has a permanent endowment fund; its year-end balance was £4,193,856 (2022: £3,985,974).

The Trustee has a policy which requires that the level of free reserves should reflect at least six months of charitable spend, in addition to longterm multi year scholarship commitment. This amounts to £388k. The reserves at the year end is £2.4m in excess of the required £388k. This policy is deemed appropriate for the reported financial period.

Public Benefit

The IMechE confirms that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Fund's aims and objectives and in planning future activities and setting the grant making policy for the year.

Future developments

The Whitworth Awards Panel constantly reviews the scheme and at present have agreed not to make any changes for 2024.

Recruitment and appointment of the Trustees

The Trust Deed states that the Institution of Mechanical Engineers is the Trustee of the Scheme. The institution of Mechanical Engineers is governed by a Trustee Board comprising of members of the Institution elected to office by Corporate and Associate Members, through an annual election process as detailed in the Royal Charter and By-laws of the Institution.

Whitworth Scholarship's Fund

Statement of Trustee's Responsibilities

For the year ended 31 December 2023

Statement of Trustee's responsibilities in respect of the Trustee's annual report and the financial statements

The Trustee is responsible for preparing the Trustee's Annual Report and the financial statements in accordance with applicable law and regulations.

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

In preparing these financial statements, generally accepted accounting practice entails that the Trustee:

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

The Trustee is required to act in accordance with the trust deed of the Fund, within the framework of trust law. The Trustee is responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

The Trustee's Report was approved by the Trustee Board of the Institution of Mechanical Engineers on 31 July 2024 and was signed on its behalf by:

Trustee

R Judge



Trustee

Dr C Hickman OBE



Whitworth Scholarship's Fund

Independent Auditor's Report to the Trustees of Whitworth Scholarship's Fund For the year ended 31 December 2023

Opinion on the financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 31 December 2023 and of the Charity's incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

We have audited the financial statements of Whitworth Scholarship's Fund ("the Charity") for the year ended 31 December 2023 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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

Conclusions related to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the 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, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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 requires us to report to you if, in our opinion;

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is inconsistent in any material respect with the financial statements; or
- adequate accounting records have not been kept or
- the 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.

Whitworth Scholarship's Fund

Independent Auditor's Report to the Trustees of Whitworth Scholarship's Fund (continued) For the year ended 31 December 2023

Responsibilities of Trustees

As explained more fully in the Statement of Trustee's Responsibilities, 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 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

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

Non-compliance with laws and regulations

Based on:

- Our understanding of the Charity and the sector in which it operates;
- Discussion with management and those charged with governance;
- Obtaining and understanding of the Charity's policies and procedures regarding compliance with laws and regulations.

The Charity is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be the Charities Act in the UK, UK GAAP and UK tax legislation.

Our procedures in respect of the above included:

- Review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of correspondence with regulatory and tax authorities for any instances of non-compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation.

Fraud

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

- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Charity's policies and procedures relating to:
 - Detecting and responding to the risks of fraud; and
 - Internal controls established to mitigate risks related to fraud.

Whitworth Scholarship's Fund

Independent Auditor's Report to the Trustees of Whitworth Scholarship's Fund (continued) For the year ended 31 December 2023

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

Based on our risk assessment, we considered the areas most susceptible to fraud to be through management override of controls and improper revenue recognition.

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation;
- Assessing significant estimates made by management for bias, including the valuation of investments;
- Testing a sample of investments and dividend income transactions throughout the year and around the year end to ensure that the recognition is in line with the SORP requirements; and
- Incorporating unpredictability into our testing approach through amending the nature and extent of audit procedures.

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

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

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

Use of our report

This report is made solely to the Charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the Charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charity and the Charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

BDO LLP

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BDO LLP, statutory auditor
London, UK

02 August 2024

BDO LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

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

Whitworth Scholarship's Fund

Statement of Financial Activities

For the year ended 31 December 2023

	Notes	Unrestricted Funds £	Endowment Funds £	2023 Total £	2022 Total £
Income and endowments from:					
<i>Investments</i>					
Interest & Dividend	1	238,670	-	238,670	236,729
Bank interest & Other income		<u>1,802</u>	<u>-</u>	<u>1,802</u>	<u>245</u>
Total		<u>240,472</u>	<u>-</u>	<u>240,472</u>	<u>236,974</u>
Expenditure on:					
<i>Charitable activities</i>					
Scholarships	2	<u>(308,118)</u>	<u>-</u>	<u>(308,118)</u>	<u>(270,745)</u>
Total		<u>(308,118)</u>	<u>-</u>	<u>(308,118)</u>	<u>(270,745)</u>
Net (expenditure) before gains/(losses) on investment assets		<u>(67,646)</u>	<u>-</u>	<u>(67,646)</u>	<u>(33,771)</u>
Net gains/(losses) on investment assets	6	<u>138,371</u>	<u>207,882</u>	<u>346,253</u>	<u>(351,473)</u>
Net income/(expenditure)		<u>70,725</u>	<u>207,882</u>	<u>278,607</u>	<u>(385,244)</u>
Net movement in funds:		70,725	207,882	278,607	(385,244)
Reconciliation of funds:					
Total funds brought forward	9	<u>2,717,722</u>	<u>3,985,974</u>	<u>6,703,696</u>	<u>7,088,940</u>
Total funds carried forward	9	<u>2,788,447</u>	<u>4,193,856</u>	<u>6,982,303</u>	<u>6,703,696</u>

The Fund has no recognised gains or losses for the year other than as detailed above.

The net movements in the Fund's funds for the year arise from the Fund's continuing activities.

The Notes on pages 14-20 form part of these accounts.

Summary of Financial Activities for the year ended 31 December 2022

	Notes	2022 Unrestricted Funds £	2022 Endowment Funds £	2022 Total £
Total income		236,974	-	236,974
Total expenditure	2	(270,745)	-	(270,745)
Net (loss) investment assets	6	(139,280)	(212,193)	(351,473)
Net movement in funds:		(173,051)	(212,193)	(385,244)
Total funds brought forward	9	<u>2,890,773</u>	<u>4,198,167</u>	<u>7,088,940</u>
Total funds carried forward:	9	<u>2,717,722</u>	<u>3,985,974</u>	<u>6,703,696</u>

The Fund has no recognised gains or losses for the year other than as detailed above.

The net movements in the Fund's funds for the year arise from the Fund's continuing activities. The notes on pages 14-20 form part of these accounts.

Whitworth Scholarship's Fund

Balance Sheet For the year ended 31 December 2023

		2023 £	2022 £
	Note		
Fixed assets:			
Investments	6	<u>6,925,233</u>	<u>6,788,980</u>
Current assets:			
Debtors	7	59,714	59,754
Cash at bank and in hand		<u>56,491</u>	<u>39,014</u>
<i>Total current assets</i>		<u>116,205</u>	<u>98,768</u>
Liabilities:			
Creditors: Amounts falling due within one year	8	(59,135)	(184,052)
<i>Net current assets(Liabilities)</i>		<u>57,070</u>	<u>(85,284)</u>
Total net assets		<u>6,982,303</u>	<u>6,703,696</u>
The funds of the charity:			
Endowment funds	9	4,193,856	3,985,974
Total unrestricted funds	9	<u>2,788,447</u>	<u>2,717,722</u>
Charity funds		<u>6,982,303</u>	<u>6,703,696</u>

These financial statements including notes on pages 14-20 were approved by the Trustee Board of the Institution of Mechanical Engineers on 31 July 2024 and were signed on its behalf by:

Trustee
R Judge



Trustee
Dr C Hickman OBE



Whitworth Scholarship's Fund

Charity Registration Number : 313756

Whitworth Scholarship's Fund

Statement of Cash Flows For the year ended 31 December 2023

	2023 £	2022 £	
Cash flows from operating activities:			
Net cash used in operating activities	<u>(432,995)</u>	<u>(277,002)</u>	
Cash flows from investing activities			
Dividends, interest from investments	240,472	232,951	
Sale of investments	210,000	-	
Purchase of investments	<u>-</u>	<u>-</u>	
Net cash provided by investing activities	<u>450,472</u>	<u>232,951</u>	
<i>Change in cash and cash equivalents in the reporting period</i>	17,477	(44,051)	
<i>Cash and cash equivalent at the beginning of reporting period</i>	<u>39,014</u>	<u>83,065</u>	
<i>Cash and cash equivalent at end of reporting period</i>	<u><u>56,491</u></u>	<u><u>39,014</u></u>	
Reconciliation of net income to net cash flow used in operating activities	2023 £	2022 £	
Net income/(loss) as per the statement	<u>278,607</u>	<u>(385,244)</u>	
Adjustments for:			
Dividends, interest from investments	(240,472)	(236,974)	
(Gains)/loss on Investments	(346,253)	351,473	
Increase in debtors	40	-	
Increase in creditors	<u>(124,917)</u>	<u>(6,257)</u>	
Net cash used in operating activities	<u><u>(432,995)</u></u>	<u><u>(277,002)</u></u>	
Analysis of Net Funds	Balance 01.01.2023 £	Cash flows 31.12.2023 £	Balance 31.12.2023 £
Cash at bank and in hand	<u><u>39,014</u></u>	<u><u>17,477</u></u>	<u><u>56,491</u></u>

Whitworth Scholarship's Fund

Notes to the Financial Statements For the year ended 31 December 2023

Accounting Policies

The Fund is registered with the Charity Commission (registered number: 313756), domiciled in the UK and is a public benefit entity. The address of the registered office is 1 Birdcage Walk, London, SW1H 9JJ. The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Fund's financial statements.

a) **Basis of preparation**

The financial statements have been prepared to give a true and fair view and have departed from the charities (Accounts and Reports) Regulation 2008 only to the extent required to give a true and fair view. The Financial Statements have been prepared in accordance with the Charities SORP. FRS102 The Financial Reporting standard applicable in the UK and Republic of Ireland, and applicable UK charity law.

This departure has involved following 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 (FRS102) effective 1 January 2019 rather than the Accounting and Reporting by Charities: Statement of recommended Practice effective from 1 April 2005 which has since been withdrawn.

The financial statements have been prepared on the historical cost basis of accounting, modified to incorporate the revaluation of investments. The financial statements are prepared in sterling, which is functional currency of the Fund. Monetary amounts in these financial statements are rounded to the nearest pound.

b) **Going Concern**

The financial statements have been prepared on a going concern basis. The financial statements do not include any adjustments that would result from the charity not being able to continue for the next 12 months. The Fund has a strong balance sheet and has access to £6.9m of available investments which could be utilised to cover expenditure if required. Therefore, there are no material uncertainties about the Fund's ability to continue as a going concern.

c) **Income**

Investment income is earned from holding assets for investment purposes and includes dividends and bank interest that are presented gross on a receivable basis.

d) **Expenditure**

Scholarship awards are recognised on an academic year basis with any sums due at the year-end in respect of the spring and summer terms being accrued. General expenditure is recognised in the period to which it relates.

Members of the Whitworth Award Panel, who are responsible for selecting Scholars, provide their time free of charge.

e) **Investments**

Investments consist of common investment funds administered by an investment manager and are valued at the year end at the bid price. It is the Fund's policy to keep valuations up to date such that when investments are sold there is no gain or loss arising relating to previous years. As a result the Statement of Financial Activities does not distinguish between the valuation adjustments relating to sales and those relating to continued holdings as they are together treated as changes in the value of the investment portfolio throughout the year.

Whitworth Scholarship's Fund

Notes to the Financial Statements (continued) For the year ended 31 December 2023

Accounting Policies (continued)

e) Investments (continued)

All investment management charges are included in the bid price of units. We are unable to identify investment manager fees separately and so these fees are not disclosed in the Statement of Financial Activities.

f) Grant commitments

Scholarships are awarded for the period of study, usually three years, with payments made on a termly basis.

Expenditure is not accrued beyond each academic year as future payments are subject to a performance review by the Whitworth Panel, which therefore has discretion to terminate the funding agreement in case the performance related conditions are not met.

Multi-year grants that do not meet the recognition criteria are disclosed as contingent liabilities in the notes to the financial statements.

g) Financial assets

The Fund has elected to apply the provisions of Section 11 "Basic Financial Instruments" and Section 12 "Other Financial Instruments Issues" of FRS102 to all its financial instruments.

Financial assets are recognised in the Fund's statement of financial position when the Fund becomes party to the contractual provisions of the instrument.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

h) Critical accounting estimates and judgements

In the application of the accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. 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 affects both current and future periods.

i) Fund Accounting

Endowment Funds are permanently endowed assets, which provide unrestricted income to the Fund. Unrestricted Funds are applied according to the scheme governing the Fund.

Whitworth Scholarship's Fund

Notes to the Financial Statements (continued) For the year ended 31 December 2023

1 Investment Income

	2023	2022
	£	£
Dividends receivable from investment funds	<u>238,670</u>	<u>236,729</u>

All investment income arises from the investments detailed in note 6 below.

2 Expenditure on charitable activities

	2023	2022
	£	£
Scholarships	254,781	219,306
Prizes administration	14,724	11,611
Funds management fee	<u>38,613</u>	<u>39,828</u>
Total	<u>308,118</u>	<u>270,745</u>

Scholarships in both 2023 and 2022 were awarded to the individuals, studying engineering either part-time or full-time, and intended for their educational needs.

The total amounts incurred in respect of audit fees in 2023 were £9,942 (2022: £9,490).

Whitworth Scholarship's Fund

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

3 Taxation

Whitworth Scholarship's Fund is considered to pass the tests set out in paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable trust for UK Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable trust for UK income tax purposes. Accordingly, the Fund is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 10 Income Tax Act 2007 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.

4 Trustee's Remuneration and Expenses

The Trustee neither received nor waived any remuneration or expenses during the period (2022 - Nil).

5 Employees

There were no employees in the year ended 31 December 2023 (2022 - Nil).

6 Investments

	Market Value 31/12/202	Gains & (Losses) 31/12/202	Disposal 31/12/202	Cost 31/12/202	Market Value 31/12/202	Cost 31/12/202
	3	3	3	3	2	2
	£			£	£	£
Permanent Endowment Fund						
BLK Charities UK Bond Fund A Inc	310,364	268,106	-	42,258	305,318	42,258
BLK Charities UK Equity Fund A Inc	<u>3,883,492</u>	<u>3,263,037</u>	<u>-</u>	<u>620,455</u>	<u>3,680,656</u>	<u>620,455</u>
Fund Total	<u>4,193,856</u>	<u>3,531,143</u>	<u>-</u>	<u>662,713</u>	<u>3,985,974</u>	<u>662,713</u>
Unrestricted Fund Holding						
BLK Charities UK Bond Fund A Inc	172,880	45,006	-	127,874	170,070	127,874
BLK Charities UK Equity Fund A Inc	<u>2,558,498</u>	<u>1,976,244</u>	<u>(54,650)</u>	<u>636,905</u>	<u>2,632,936</u>	<u>691,556</u>
Fund Total	<u>2,731,378</u>	<u>2,021,250</u>	<u>(54,650)</u>	<u>764,779</u>	<u>2,803,006</u>	<u>819,430</u>
Total Investments	<u>6,925,233</u>	<u>5,552,393</u>	<u>(54,650)</u>	<u>1,427,492</u>	<u>6,788,980</u>	<u>1,482,143</u>

Whitworth Scholarship's Fund
Notes to the Financial Statements (continued)
For the year ended 31 December 2023

6 Investments - continued

	2023	2022
	£	£
Movement of investments		
Market value at 1 January	6,788,980	7,140,453
Net investment gain/(loss)	<u>346,253</u>	<u>(351,473)</u>
Investment manager fees are included within net investment gains and cannot be separately identified		
Market value at 31 December	6,925,233	6,788,980
Historic cost at 31 December	<u>(1,427,492)</u>	<u>(1,482,143)</u>
Unrealised investment gains at 31 December	<u>5,497,741</u>	<u>5,306,837</u>

7 Debtors

	2023	2022
	£	£
Dividends receivable	<u>59,714</u>	<u>59,754</u>

8 Creditors

	2023	2022
	£	£
Grants payable	45,250	150,250
Other creditors	<u>13,885</u>	<u>33,802</u>
Total creditors	<u>59,135</u>	<u>184,052</u>

9 Statement of Funds

	Balance at	Net	Movement	Balance at
	01/01/2023	(expenditure)	Gain/(Loss)	31/12/2023
	£	£	on	£
			Investment	
			assets	
			£	£
Permanent Endowment Fund	3,985,974	-	207,882	4,193,856
Unrestricted Fund	<u>2,717,722</u>	<u>(67,646)</u>	<u>138,371</u>	<u>2,788,447</u>
Fund Total	<u>6,703,696</u>	<u>(67,646)</u>	<u>346,253</u>	<u>6,982,303</u>
	01/01/2022			31/12/2022
	£	£	£	£
Permanent Endowment Fund	4,198,167	-	(212,193)	3,985,974
Unrestricted Fund	<u>2,890,773</u>	<u>(33,771)</u>	<u>(139,280)</u>	<u>2,717,722</u>
Fund Total	<u>7,088,940</u>	<u>(33,771)</u>	<u>(351,473)</u>	<u>6,703,696</u>

The Permanent Endowment Fund provides the permanent capital base in the form of investments. The Unrestricted Fund represents accumulated income most of which has been invested. The income from these investments and those held in the Permanent Endowment Fund is used to pay the scholarship awards.

Whitworth Scholarship's Fund

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

10 Analysis of Net Assets between Funds

	Unrestricted Fund £	Permanent Endowment Fund £	Total 2023 £
Investments	2,731,377	4,193,856	6,925,233
Net current assets	<u>57,070</u>	<u>-</u>	<u>57,070</u>
Total Net Assets	<u>2,788,447</u>	<u>4,193,856</u>	<u>6,982,303</u>
			2022
	£	£	£
Investments	2,803,006	3,985,974	6,788,980
Net current liabilities	<u>(85,284)</u>	<u>-</u>	<u>(85,284)</u>
Total Net Assets	<u>2,717,722</u>	<u>3,985,974</u>	<u>6,703,696</u>

11 Ultimate Parent

Control of the charity rests with the Institution of Mechanical Engineers (Charity reg. N 206882, domiciled in the UK and is a public benefit entity, registered at 1 Birdcage Walk, London, SW1H 9JJ) as sole Trustee under the terms of a Scheme made by the Charity. The Institution of Mechanical Engineers is an independent professional association, and learned society, that represents mechanical engineers and the engineering profession.

12 Grant Commitments

These sums have been provisionally approved as grants to be made to current scholars for completion of their studies. Because the Trustee has further actions to take on them before releasing for payment, they have not been recognised in this year's accounts. No discounting has been applied to grant commitments due in more than one year on the basis that it would be immaterial.

	2023 £	2022 £
Scholarships due for payment within one year	165,750	71,750
Scholarships due for payment after one year	<u>234,000</u>	<u>349,000</u>
Total scholarship commitments	<u>399,750</u>	<u>420,750</u>

Whitworth Scholarship's Fund

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

13 Financial instruments

	2023	2022
	£	£
Financial assets measured at amortised cost	116,205	98,768
Financial liabilities measured at amortised cost	59,135	184,052
Financial assets measured at fair value	6,925,233	6,788,980

14 Related Parties

The Institution of Mechanical Engineers administers the Prizes for Whitworth Scholarships Trust Fund. It incurs costs relating to venue hire, speakers and catering which are recharged to the Trust Fund. The amount recharged during the year ended 31 December 2023 was nil (2022: nil) and the amount due to the Institution at the year end was nil (2022: nil).

WHITWORTH SCHOLARSHIP'S FUND

England & Wales - Charity number 313756

Accounts

Whitworth Scholarship's Fund

**Trustee Board's Report and Annual Accounts
For the Year Ended 31 December 2022**

Registered Charity No: 313756

Whitworth Scholarship's Fund

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For the year ended 31 December 2022

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Whitworth Scholarship's Fund

Legal and Administrative Information For the year ended 31 December 2022

Name:	Whitworth Scholarships Fund
Charity Number:	313756
Trustee:	The Institution of Mechanical Engineers 1 Birdcage Walk, Westminster London SW1H 9JJ
Chief Executive Officer:	Alice Bunn
Administrator:	IMechE Prizes & Awards ASK House Northgate Avenue Bury St Edmunds Suffolk IP32 6BB
Bankers:	CAF Bank Ltd PO Box 289 Kings Hill West Malling Kent ME19 4TA
Auditor:	BDO LLP 55 Baker Street, London W1U 7EU
Investment Manager:	Blackrock Investment Management (UK) Limited 33 King William Street London EC4R 9AS
Governing Instruments:	Deed of Trust between Sir Joseph Whitworth and the Secretary of State for Education dated 23 September 1868 Charity Commissioners for England and Wales Scheme dated 11 December 2001

Whitworth Scholarship's Fund

Trustee's Report

For the year ended 31 December 2022

The Trustee presents its report along with the financial statements of the Fund for the year ended 31 December 2021. The financial statements have been prepared in accordance with the accounting policies set out below and comply with the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in 2019.

Governance and Management

The Whitworth Scholarship's Fund was established in 1868 under a deed of covenant and trust between Sir Joseph Whitworth, a leading manufacturer of machine tools, and the then President of the Committee of Council on Education. The Fund is now governed under the terms of a Scheme made by the Charity Commission for England and Wales dated 11 December 2001.

The objects of the Fund, as stated in the Scheme, are to promote education in all engineering disciplines with a preference for mechanical engineering through the award of:

- Scholarships to suitably qualified applicants to enable them to study engineering, with a preference for mechanical engineering, at any establishment approved by the trustee; and
- Prizes for solutions to real problems encountered in the workplace by engineers following accredited programme of work-based training.

Objective and Activities

Under the terms of the Scheme dated 11 December 2001, the Institution of Mechanical Engineers (IMechE) succeeded the Secretary of State for Education and Skills as sole trustee of the Fund.

The IMechE administers the Fund assisted by the IMechE Whitworth Awards Panel, which advises the IMechE in making decisions on the awards. Membership of the Panel includes representatives from the Whitworth Society, UKRI, academia and the engineering professions. Panel members are not remunerated but may claim reasonable travel and subsistence expenses.

General costs of administering the Fund are borne by the IMechE but costs incurred in selection of scholars are reimbursed out of votes of Parliament.

Value of Scholarships

The awards are flexible to recognise the many study modes. The Whitworth Scholarship award supporting Undergraduate/MSc students was valued at £9,000 p.a. full-time and typically £3,000 p.a. part-time. The Senior Scholarship supporting Postgraduate research was valued at £15,000 p.a.

The Whitworth Awards Panel, in the first part of 2022, sought applications for the Awards, with 24 applications received for the Whitworth Scholarship Awards. Sixteen candidates were called for interviews at 1 Birdcage Walk, of which 14 awards were made (3 full time and 11 part-time study).

Whitworth Scholarship's Fund

Trustee's Report (continued) For the year ended 31 December 2022

Value of Scholarships (continued)

A total of four applications were received for the Whitworth Senior Scholarship Awards for Postgraduate engineering research, leading to a PhD or EngD and four candidates were called for interview.

Two Whitworth Senior Scholarship Awards were awarded for 2022, supporting PhD research in 1 PhD in Investigation of non-equilibrium phenomena during giant planet entry at the University of Queensland, Australia and 2 in Agri-Food Robotics at the University of Cambridge.

Fifteen award holders completed their degree courses and were elected "Whitworth Scholars". Six graduated with first-class honours, and nine with an MSc with Distinction. A further ten were elected to Whitworth Scholar with the option of deferring election to undertake a master's degree.

The 39th Whitworth Awards Ceremony, celebrating the achievements of Award Holders and Scholars from 2022, was held on Friday, 9th March 2022. The Ceremony was officiated by Dr Alice Bunn OBE, Chief Executive - IMechE. Professor Karl Dearn, Wh Sch, Wh SSch Chair of the Whitworth Awards Panel, introduced the Whitworth Scholarship Awards. President Philip Peel presented the certificates and medals with Chris Sidney Wh Sch, President of the Whitworth Society, who also addressed the meeting.

Achievements and Performance

During the period covered by this report £270,745 (2021: £278,192) was paid to scholarship students and administration, and £245 (2021: £190) in bank charges. Income from the investment portfolios and bank deposits amounted to £236,729 (2021: £208,025) resulting in net expenditure before gains on investment assets of £33,771 (net expenditure 2021: £70,167). As a result of movement in the Stock Market the closing values of the Permanent Endowment Fund decreased to £3,985,974 (2021: £4,198,167) and the closing value of the Unrestricted Fund decreased to £2,717,722 (2021: £2,890,773) as a result of a decrease in the net gains on investment assets.

Investment Policy

All the Fund's income is generated from investments and bank deposits. The investments of the Fund are held in the form of Common Investment Funds that are suitable for a Fund of this nature. The Permanent Endowment Fund represents the original donation made by Sir Joseph Whitworth to provide income to pay for scholarships. The Unrestricted Fund represents accumulations of unspent income that has accrued during the long history of the Trust; most of this income has been reinvested to generate an additional source of income to fund scholarships.

The Fund reviews the performance of the investments on a quarterly basis and aims to formally meet the investment manager at least once a year. The Trustee has established an investment policy which takes social, environmental and ethical considerations into account and includes the following principles:

1. A diversity of investments will be held.
2. Investment policy will be appropriate to the needs of the Fund.
3. Appropriately authorised investment managers will be employed.
4. Appropriately authorised nominees may be employed to hold individual stocks and shares.

Whitworth Scholarship's Fund

Trustee's Report (continued) For the year ended 31 December 2022

Risk Management

The IMechE has reviewed the major risks to which the Fund is exposed. The principal risks facing the Fund are those related to the income and finances of the Fund. Covid-19 and Brexit had some impact on the investment valuation volatility; the IMechE has taken steps as far as possible to mitigate exposure to those risks by keeping the Investment Policy under review, including the mix of investments held and monitoring expenditure.

Reserves policy

Unrestricted reserves at 31 December 2022 were £2,717,722 (2021: £2,890,773). IMechE has decided to set a target of utilising all the available income for scholarships provided candidates of sufficient merit can be found. The Trust Fund also has a permanent endowment fund; its year end balance was £3,985,974 (2021: £4,198,167).

The Trustee has a policy which requires that the level of free reserves should reflect at least six months of charitable spend. This policy is deemed appropriate for the reported financial period.

Public Benefit

The IMechE confirms that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Fund's aims and objectives and in planning future activities and setting the grant making policy for the year.

Future developments

The Whitworth Awards Panel constantly reviews the scheme and at present have agreed not to make any changes for 2023.

Recruitment and appointment of the Trustees

The Trust Deed states that the Institution of Mechanical Engineers is the Trustee of the Scheme. The Institution of Mechanical Engineers is governed by a Trustee Board comprising of members of the Institution elected to office by Corporate and Associate Members, through an annual election process as detailed in the Royal Charter and By-laws of the Institution.

Whitworth Scholarship's Fund

Statement of Trustee's Responsibilities

For the year ended 31 December 2022

Statement of Trustee's responsibilities in respect of the Trustee's annual report and the financial statements

The Trustee is responsible for preparing the Trustee's Annual Report and the financial statements in accordance with applicable law and regulations.

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

In preparing these financial statements, generally accepted accounting practice entails that the Trustee:

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

The Trustee is required to act in accordance with the trust deed of the Fund, within the framework of trust law. The Trustee is responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

The Trustee's Report was approved by the Trustee Board of the Institution of Mechanical Engineers on 26 April 2023 and was signed on its behalf by:

Trustee
Philip Peel



Trustee
Clive Hickman



Whitworth Scholarship's Fund

Independent Auditor's Report to the Trustees of Whitworth Scholarship's Fund For the year ended 31 December 2022

Opinion on the financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 31 December 2022 and of the Charity's incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

We have audited the financial statements of Whitworth Scholarship's Fund ("the Charity") for the year ended 31 December 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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

Conclusions related to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the 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 Trustee's Report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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 requires us to report to you if, in our opinion;

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is inconsistent in any material respect with the financial statements; or
- adequate accounting records have not been kept or
- the 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.

Whitworth Scholarship's Fund

Independent Auditor's Report to the Trustees of Whitworth Scholarship's Fund (continued)

For the year ended 31 December 2022

Responsibilities of Trustees

As explained more fully in the Statement of Trustee's responsibilities, 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

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

Non-compliance with laws and regulations

Based on:

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

The Charity is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be the Charities Act in the UK, UK GAAP and UK tax legislation.

Our procedures in respect of the above included:

- Review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of correspondence with regulatory and tax authorities for any instances of non-compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation;

Fraud

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

- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Charity's policies and procedures relating to:
 - Detecting and responding to the risks of fraud; and
 - Internal controls established to mitigate risks related to fraud.

Whitworth Scholarship's Fund

Independent Auditor's Report to the Trustees of Whitworth Scholarship's Fund (continued)

For the year ended 31 December 2022

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

Based on our risk assessment, we considered the areas most susceptible to fraud to be through management override of controls and improper revenue recognition.

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation;
- Assessing significant estimates made by management for bias, including the valuation of investments.
- Incorporating unpredictability into our testing approach through amending the nature and extent of audit procedures;
- Reviewing performance related payments made to staff, with particular challenge as to whether individuals receiving such payments were able to influence the metrics used to determine amounts to be paid;

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

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

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

Use of our report

This report is made solely to the Charity's trustees, as a body, in accordance with the Charities Act 2011. Our audit work has been undertaken so that we might state to the Charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charity and the Charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

BDO LLP

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BDO LLP, statutory auditor
London, UK

28 April 2023

BDO LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

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

Whitworth Scholarship's Fund
Statement of Financial Activities
For the year ended 31 December 2022

	Notes	Unrestricted Funds £	Endowment Funds £	2022 Total £	2021 Total £
Income and endowments from:					
Investments					
Interest & dividends	1	236,729	-	236,729	208,015
Bank interest & other income		245	-	245	10
Total		<u>236,974</u>	<u>-</u>	<u>236,974</u>	<u>208,025</u>
Expenditure on:					
Charitable activities					
Scholarships	13	(270,745)	-	(270,745)	(278,192)
Total		<u>(270,745)</u>	<u>-</u>	<u>(270,745)</u>	<u>(278,192)</u>
Net (expenditure) before gains/(losses) on investment assets		(33,771)	-	(33,771)	(70,167)
Net gains/(losses) on investment assets	5	(139,280)	(212,193)	(351,473)	595,879
Net (expenditure)/income		<u>(173,051)</u>	<u>(212,193)</u>	<u>(385,244)</u>	<u>525,712</u>
Net movement in funds		<u>(173,051)</u>	<u>(212,193)</u>	<u>(385,244)</u>	<u>525,712</u>
Reconciliation of funds					
Total funds brought forward	9	2,890,773	4,198,167	7,088,940	6,563,228
Total funds carried forward	9	<u>2,717,722</u>	<u>3,985,974</u>	<u>6,703,696</u>	<u>7,088,940</u>

The Fund has no recognised gains or losses for the year other than as detailed above.

The net movements in the Fund's funds for the year arise from the Fund's continuing activities.

The notes on pages 14-19 form part of these accounts.

Summary of Financial Activities
For the year ended 31 December 2021

	2021 Unrestricted Funds £	2021 Endowment Funds £	2021 Total £
Total income	208,025	-	208,025
Total expenditure	(278,192)	-	(278,192)
Net gains on investment assets	251,065	344,814	595,879
Net movement in funds:	180,898	344,814	525,712
Total funds brought forward	2,709,875	3,853,353	6,563,228
Total funds carried forward:	<u>2,890,773</u>	<u>4,198,167</u>	<u>7,088,940</u>

Whitworth Scholarship's Fund

Balance Sheet

For the year ended 31 December 2022

		2022	2021
		£	£
	Note		
Fixed assets:			
Investments	5	6,788,980	7,140,453
Current assets:			
Debtors	6	59,754	55,731
Cash at bank and in hand		39,014	89,065
<i>Total current assets</i>		98,768	138,796
Liabilities:			
Creditors: Amounts falling due within one year	7	(184,052)	(190,309)
<i>Net current assets</i>		(85,284)	(51,513)
Total net assets		6,703,696	7,088,940
The funds of the charity:			
Endowment funds	8	3,985,974	4,198,167
Unrestricted funds	8	2,717,722	2,890,773
Total charity funds		6,703,696	7,088,940

These financial statements including notes on pages 14-19 were approved by the Trustee Board of the Institution of Mechanical Engineers on 26 April 2023 and were signed on its behalf by:

Trustee
Philip Peel



Trustee
Clive Hickman



Charity Registration Number : 313756

Whitworth Scholarship's Fund

Statement of Cash Flows For the year ended 31 December 2022

	2022	2021	
	£	£	
Cash flows from operating activities:			
<i>Net cash used in operating activities</i>	(277,002)	(245,382)	
Cash flows from investing activities			
Dividends and interest from investments	232,951	208,025	
<i>Net cash provided by investing activities</i>	232,951	208,025	
<i>Change in cash and cash equivalents in the reporting period</i>	(44,051)	(37,357)	
<i>Cash and cash equivalent at the beginning of reporting period</i>	83,065	120,422	
<i>Cash and cash equivalent at end of reporting period</i>	39,014	83,065	
Reconciliation of net income to net cash flow from operating activities	2022	2021	
	£	£	
Net income/(expenditure) as per the SoFA	(385,244)	525,712	
Adjustments for:			
Dividends and interest from investments	(236,974)	(208,025)	
(Gains)/losses on investments	351,473	(595,879)	
Increase/(decrease) in debtors excluding dividends receivable	-	1	
(Decrease)/increase in creditors	(6,257)	32,809	
Net cash used in operating activities	(277,002)	(245,382)	
Analysis of Net Funds	Balance	Cash flows	Balance
	1 Jan 2022		31 Dec 2022
	£	£	£
Cash at bank and in hand	83,065	(44,051)	39,014

Whitworth Scholarship's Fund

Notes to the Financial Statements For the year ended 31 December 2022

Accounting Policies

The Fund is registered with the Charity Commission (registered number: 313756), domiciled in the UK and is a public benefit entity. The address of the registered office is 1 Birdcage Walk, London, SW1H 9JJ. The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Fund's financial statements.

a) **Basis of preparation**

The financial statements have been prepared to give a true and fair view and have departed from the charities (Accounts and Reports) Regulation 2008 only to the extent required to give a true and fair view. The Financial Statements have been prepared in accordance with the Charities SORP. FRS102 The Financial Reporting standard applicable in the UK and Republic of Ireland, and applicable UK charity law.

This departure has involved following 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 (FRS102) effective 1 January 2019 rather than the Accounting and Reporting by Charities: Statement of recommended Practice effective from 1 April 2005 which has since been withdrawn.

The financial statements have been prepared on the historical cost basis of accounting, modified to incorporate the revaluation of investments. The financial statements are prepared in sterling, which is functional currency of the Fund. Monetary amounts in these financial statements are rounded to the nearest pound.

b) **Going Concern**

The financial statements have been prepared on a going concern basis. The financial statements do not include any adjustments that would result from the charity not being able to continue for the next 12 months. The Fund has a strong balance sheet and has access to £6.8m of available investments which could be utilised to cover expenditure if required. Therefore, there are no material uncertainties about the Fund's ability to continue as a going concern.

c) **Income**

Investment income is earned from holding assets for investment purposes and includes dividends and bank interest that are presented gross on a receivable basis.

d) **Expenditure**

Scholarship awards are recognised on an academic year basis with any sums due at the year-end in respect of the spring and summer terms being accrued. General expenditure is recognised in the period to which it relates.

Members of the Whitworth Award Panel, who are responsible for selecting Scholars, provide their time free of charge.

e) **Investments**

Investments consist of common investment funds administered by an investment manager and are valued at the year end at the bid price. It is the Fund's policy to keep valuations up to date such that when investments are sold there is no gain or loss arising relating to previous years. As a result the Statement of Financial Activities does not distinguish between the valuation adjustments relating to sales and those relating to continued holdings as they are together treated as changes in the value of the investment portfolio throughout the year.

Whitworth Scholarship's Fund

Notes to the Financial Statements (continued) For the year ended 31 December 2022

Accounting Policies (continued)

e) Investments (continued)

All investment management charges are included in the bid price of units. We are unable to identify investment manager fees separately and so these fees are not disclosed in the Statement of Financial Activities.

f) Grant commitments

Scholarships are awarded for the period of study, usually three years, with payments made on a termly basis.

Expenditure is not accrued beyond each academic year as future payments are subject to a performance review by the Whitworth Panel, which therefore has discretion to terminate the funding agreement in case the performance related conditions are not met.

Multi-year grants that do not meet the recognition criteria are disclosed as contingent liabilities in the notes to the financial statements.

g) Financial assets

The Fund has elected to apply the provisions of Section 11 "Basic Financial Instruments" and Section 12 "Other Financial Instruments Issues" of FRS102 to all its financial instruments.

Financial assets are recognised in the Fund's statement of financial position when the Fund becomes party to the contractual provisions of the instrument.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

h) Critical accounting estimates and judgements

In the application of the accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. 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 affects both current and future periods.

i) Fund Accounting

Endowment Funds are permanently endowed assets, which provide unrestricted income to the Fund. Unrestricted Funds are applied according to the scheme governing the Fund.

Whitworth Scholarship's Fund

Notes to the Financial Statements (continued) For the year ended 31 December 2022

1 Investment Income

	2022	2021
	£	£
Dividends receivable from investment funds	236,729	208,015

All investment income arises from the investments detailed in note 5 below.

2 Taxation

Whitworth Scholarship's Fund is considered to pass the tests set out in paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable trust for UK Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable trust for UK income tax purposes. Accordingly the Fund is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 10 Income Tax Act 2007 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.

3 Trustee's Remuneration and Expenses

The Trustee neither received nor waived any remuneration or expenses during the period (2021 - Nil).

4 Employees

There were no employees in the year ended 31 December 2022 (2021 - Nil).

5 Investments

	Market Value 31/12/2022 £	Cost 31/12/2022 £	Market Value 31/12/2021 £	Cost 31/12/2021 £
Permanent Endowment Fund				
BLK Charities UK Bond Fund A Inc	305,318	42,258	384,337	42,258
BLK Charities UK Equity Fund A Inc	3,680,656	620,455	3,813,830	620,455
Fund Total	<u>3,985,974</u>	<u>662,713</u>	<u>4,198,167</u>	<u>662,713</u>
Unrestricted Fund Holding				
BLK Charities UK Bond Fund A Inc	170,070	127,874	214,085	127,874
BLK Charities UK Equity Fund A Inc	2,632,936	691,556	2,728,202	691,556
Fund Total	<u>2,803,006</u>	<u>819,430</u>	<u>2,942,287</u>	<u>819,430</u>
Total Investments	<u>6,788,980</u>	<u>1,482,143</u>	<u>7,140,454</u>	<u>1,482,143</u>

Whitworth Scholarship's Fund

Notes to the Financial Statements (continued) For the year ended 31 December 2022

5 Investments - continued

	2022 £	2021 £
Movement of investments		
Market value at 1 January	7,140,453	6,544,574
Net investment gains	<u>(351,473)</u>	<u>595,879</u>

Investment manager fees are included within net investment gains and cannot be separately identified

Market value at 31 December	6,788,980	7,140,453
Historic cost at 31 December	<u>(1,482,143)</u>	<u>(1,482,143)</u>
Unrealised investment gains at 31 December	<u>5,306,837</u>	<u>5,658,310</u>

6 Debtors

	2022 £	2021 £
Dividends receivable	<u>59,754</u>	<u>55,731</u>

7 Creditors

	2022 £	2021 £
Grants payable	174,482	169,000
Other creditors	9,570	21,309
Total creditors	<u>184,052</u>	<u>190,309</u>

8 Statement of Funds

	Movement			Balance at 31/12/2022 £
	Balance at 01/01/2022 £	Net (expenditure)/ income £	Gain/(Loss) on investment assets £	
Permanent Endowment Fund	4,198,167	-	(212,193)	3,985,974
Unrestricted Fund	2,890,773	(33,771)	(139,280)	2,717,722
Fund Total	<u>7,088,940</u>	<u>(33,771)</u>	<u>(351,473)</u>	<u>6,703,696</u>
	01/01/2021			31/12/2021
	£	£	£	£
Permanent Endowment Fund	3,853,353	-	344,814	4,198,167
Unrestricted Fund	2,709,875	(70,167)	251,065	2,890,773
Fund Total	<u>6,563,228</u>	<u>(70,167)</u>	<u>595,879</u>	<u>7,088,940</u>

The Permanent Endowment Fund provides the permanent capital base in the form of investments.

The Unrestricted Fund represents accumulated income most of which has been invested. The income from these investments and those held in the Permanent Endowment Fund is used to pay the scholarship awards.

Whitworth Scholarship's Fund

Notes to the Financial Statements (continued) For the year ended 31 December 2022

9 Analysis of net assets between funds

	Unrestricted Fund £	Permanent Endowment Fund £	Total 2022 £	Total 2021 £
Investments	2,803,006	3,985,974	6,788,980	7,140,453
Net current assets	(85,284)	-	(85,284)	(51,513)
Total net assets	2,717,722	3,985,974	6,703,696	7,088,940

	£	£	2021 £	2020 £
Investments	2,942,286	4,198,167	7,140,453	6,544,574
Net current assets	(51,513)	-	(51,513)	18,654
Total net assets	2,890,773	4,198,167	7,088,940	6,563,228

10 Ultimate parent

Control of the charity rests with the Institution of Mechanical Engineers (Charity reg.N 206882, domiciled in the UK and is a public benefit entity, registered at 1 Birdcage Walk, London, SW1H 9JJ) as sole Trustee under the terms of a Scheme made by the Charity. The Institution of Mechanical Engineers is an independent professional association, and learned society, that represents mechanical engineers and the engineering profession.

11 Grant commitments

These sums have been provisionally approved as grants to be made to current scholars for completion of their studies. Because the Trustee has further actions to take on them before releasing for payment, they have not been recognised in this year's accounts. No discounting has been applied to grant commitments due in more than one year on the basis that it would be immaterial.

	2022 £	2021 £
Scholarships due for payment within one year	71,750	68,667
Scholarships due for payment after one year	349,000	382,583
Total scholarship commitments	420,750	451,250

12 Related parties

The Institution of Mechanical Engineers administers the Prizes for Whitworth Scholarships Trust Fund. It incurs costs relating to venue hire, speakers and catering which are recharged to the Trust Fund. The amount recharged during the year ended 31 December 2022 was £0 (2021: £0) and the amount due to the Institution at the year end was £0 (2021: £0).

Whitworth Scholarship's Fund

Notes to the Financial Statements (continued) For the year ended 31 December 2022

13 Expenditure on charitable activities

	2022	2021
	£	£
Scholarships	219,306	262,132
Prizes administration	51,439	16,060
Total	<u>270,745</u>	<u>278,192</u>

Scholarships in both 2022 and 2021 were awarded to the individuals, studying engineering either part-time or full-time, and intended for their educational needs.

The total amounts incurred in respect of audit fees in 2022 were £9,490 (2021: £4,120).

14 Financial instruments

	2022	2021
	£	£
Financial assets measured at amortised cost	98,768	138,796
Financial liabilities measured at amortised cost	184,052	190,309
Financial assets measured at fair value	6,788,980	7,140,453

WHITWORTH SCHOLARSHIP'S FUND

England & Wales - Charity number 313756

Accounts

Whitworth Scholarship's Fund

**Trustee Board's Report and Annual Accounts
For the Year Ended 31 December 2021**

Registered Charity No: 313756

Whitworth Scholarship's Fund

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Whitworth Scholarship's Fund

Legal and Administrative Information For the year ended 31 December 2021

Name:	Whitworth Scholarships Fund
Charity Number:	313756
Trustee:	The Institution of Mechanical Engineers 1 Birdcage Walk, Westminster London SW1H 9JJ
Chief Executive Officer:	Alice Bunn
Administrator:	IMechE Prizes & Awards ASK House Northgate Avenue Bury St Edmunds Suffolk IP32 6BB
Bankers:	CAF Bank Ltd PO Box 289 Kings Hill West Malling Kent ME19 4TA
Auditor:	BDO LLP 55 Baker Street, London W1U 7EU
Investment Manager:	Blackrock Investment Management (UK) Limited 33 King William Street London EC4R 9AS
Governing Instruments:	Deed of Trust between Sir Joseph Whitworth and the Secretary of State for Education dated 23 September 1868 Charity Commissioners for England and Wales Scheme dated 11 December 2001

Whitworth Scholarship's Fund

Trustee's Report For the year ended 31 December 2021

The Trustee presents its report along with the financial statements of the Fund for the year ended 31 December 2021. The financial statements have been prepared in accordance with the accounting policies set out below and comply with the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in 2019.

Governance and Management

The Whitworth Scholarship's Fund was established in 1868 under a deed of covenant and trust between Sir Joseph Whitworth, a leading manufacturer of machine tools, and the then President of the Committee of Council on Education. The Fund is now governed under the terms of a Scheme made by the Charity Commission for England and Wales dated 11 December 2001.

The objects of the Fund, as stated in the Scheme, are to promote education in all engineering disciplines with a preference for mechanical engineering through the award of:

- Scholarships to suitably qualified applicants to enable them to study engineering, with a preference for mechanical engineering, at any establishment approved by the trustee; and
- Prizes for solutions to real problems encountered in the workplace by engineers following accredited programme of work-based training.

Objective and Activities

Under the terms of the Scheme dated 11 December 2001, the Institution of Mechanical Engineers (IMechE) succeeded the Secretary of State for Education and Skills as sole trustee of the Fund.

The IMechE administers the Fund assisted by the IMechE Whitworth Awards Panel, which advises the IMechE in making decisions on the awards. Membership of the Panel includes representatives from the Whitworth Society, UKRI, academia and the engineering professions. Panel members are not remunerated but may claim reasonable travel and subsistence expenses.

General costs of administering the Fund are borne by the IMechE but costs incurred in selection of scholars are reimbursed.

Value of Scholarships

The level of award is determined partly by the demand for scholarships and partly by the performance of the Fund's investment portfolios.

The Whitworth Scholarship award supporting Undergraduate/MSc Scholarship was valued at £9,000 p.a. full-time, £3,500 p.a. part-time. The Senior Scholarship supporting Postgraduate research was valued at £15,000 p.a.

The Whitworth Awards Panel in the first part of 2021 sought applications for the Awards, with 27 applications received for the Whitworth Scholarship Awards. 22 candidates were called for interview, which were held virtually, via Microsoft Teams and 12 awards were made (5 for full-time study and 7 for part-time study).

Whitworth Scholarship's Fund

Trustee's Report (continued) For the year ended 31 December 2021

Value of Scholarships (continued)

A total of 2 applications were received for the Whitworth Senior Scholarship Awards for Postgraduate engineering research, leading to a PhD or EngD. No candidates were called for a virtual interview.

14 award holders successfully completed their degree courses and were elected "Whitworth Scholars", 8 graduated with first-class honours, 6 with a distinction MSc (Hons). 2 Senior Scholarship Award holders successfully completed their research degree and were elected "Whitworth Senior Scholar".

The 37th and 38th Whitworth Awards Ceremony, celebrating the achievements of Award Holders and Scholars from 2020 and 2021, was held on Friday 18th March 2022. The Ceremony was officiated by Joanne Horton, Director of Membership - IMechE. Professor Karl Dearn, Chair of the Whitworth Awards Panel, introduced the Whitworth Scholarship Awards. Past President Terry Spall (2020 winners) and President Peter Flinn (2021 winners) presented the certificates and medals with Laura Gilbert, President of the Whitworth Society, who also addressed the meeting.

Achievements and Performance

During the period covered by this report £278,192 (2020: £229,838) was paid to scholarship students and for prize administration, including £190 (2020: £88) in bank charges and £4,120 (2020: £4,000) for audit fees. Income from the investment portfolios and bank deposits amounted to £208,025 (2020: £193,283) resulting in net expenditure before gains on investment assets of £70,167 (net expenditure 2020: £36,555). As a result of movement in the stock market the closing values of the Permanent Endowment Fund increased to £4,198,167 (2020: £3,853,353). The closing value of the Unrestricted Fund increased to £2,890,773 (2020: £2,709,875) due to the increase in net gains on investment assets.

Investment Policy

All the Fund's income is generated from investments and bank deposits. The investments of the Fund are held in the form of Common Investment Funds that are suitable for a Fund of this nature. The Permanent Endowment Fund represents the original donation made by Sir Joseph Whitworth to provide income to pay for scholarships. The Unrestricted Fund represents accumulations of unspent income that has accrued during the long history of the Trust; most of this income has been reinvested to generate an additional source of income to fund scholarships.

The Fund reviews the performance of the investments on a quarterly basis and aims to formally meet the investment manager at least once a year. The Trustee has established an investment policy which takes social, environmental and ethical considerations into account and includes the following principles:

1. A diversity of investments will be held.
2. Investment policy will be appropriate to the needs of the Fund.
3. Appropriately authorised investment managers will be employed.
4. Appropriately authorised nominees may be employed to hold individual stocks and shares.

Whitworth Scholarship's Fund

Trustee's Report (continued) For the year ended 31 December 2021

Risk Management

The IMechE has reviewed the major risks to which the Fund is exposed. The principal risks facing the Fund are those related to the income and finances of the Fund. Covid-19 and Brexit had some impact on the investment valuation volatility; the IMechE has taken steps as far as possible to mitigate exposure to those risks by keeping the Investment Policy under review, including the mix of investments held and monitoring expenditure.

Reserves policy

Unrestricted reserves at 31 December 2021 were £2,890,773 (2020: £2,709,875). IMechE has decided to set a target of utilising all the available income for scholarships provided candidates of sufficient merit can be found. The Trust Fund also has a permanent endowment fund; its year-end balance was £4,198,167 (2020: £3,853,353).

The Trustee has a policy which requires that the level of free reserves should reflect at least six months of charitable spend. The impact of Covid-19 has been taken into consideration and this policy is deemed appropriate for the reported financial period. Independently of the Covid-19 impact, a review is currently underway to consider how to reflect the impact of risks in the free reserves target in a more dynamic and responsive way. The presentation of a revised policy to the Trustee for consideration has been deferred to 2022.

Public Benefit

The IMechE confirms that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Fund's aims and objectives and in planning future activities and setting the grant making policy for the year.

Future developments

The Whitworth Awards Panel constantly reviews the scheme and at present have agreed not to make any changes for 2022.

Recruitment and appointment of the Trustees

The Trust Deed states that the Institution of Mechanical Engineers is the Trustee of the Scheme. The Institution of Mechanical Engineers is governed by a Trustee Board comprising of members of the Institution elected to office by Corporate and Associate Members, through an annual election process as detailed in the Royal Charter and By-laws of the Institution.

Whitworth Scholarship's Fund

Statement of Trustee's Responsibilities For the year ended 31 December 2021

Statement of Trustee's responsibilities in respect of the Trustee's annual report and the financial statements

The Trustee is responsible for preparing the Trustee's Annual Report and the financial statements in accordance with applicable law and regulations.

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

In preparing these financial statements, generally accepted accounting practice entails that the Trustee:

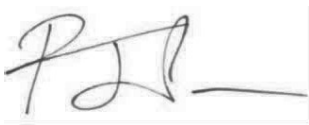
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
-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

The Trustee is required to act in accordance with the trust deed of the Fund, within the framework of trust law. The Trustee is responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

The Trustee's Report was approved by the Trustee Board of the Institution of Mechanical Engineers on 4 May 2021 and was signed on its behalf by:

Trustee
Philip Peel



Trustee
Peter Flinn



Independent auditors' report to the Trustees of Whitworth Scholarship's Fund

For the year ended 31 December 2021

Opinion on the financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 31 December 2021 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

We have audited the financial statements of Whitworth Scholarship's Fund ("the Charity") for the year ended 31 December 2021 which comprise the statement of financial activities for the year ended 31 December 2021, the balance sheet, the statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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

Conclusions related to going concern

In auditing the financial statements, we have concluded that the Trustee's 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 Trustee with respect to going concern are described in the relevant sections of this report.

Other information

The Trustee is responsible for the other information. The other information comprises the information included in the Trustee Board's Report other than the financial statements and our auditor's report thereon. The other information comprises: Trustee's 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. 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.

Independent auditors' report to the Trustees of Whitworth Scholarship's Fund (continued)

For the year ended 31 December 2021

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 Act 2011 requires us to report to you if, in our opinion;

- the information contained in the financial statements is inconsistent in any material respect with the Trustees' Annual Report; or
- adequate accounting records have not been kept; or
- the 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 the Trustee

As explained more fully in the Statement of Trustee's Responsibilities, the Trustee is 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 Trustee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustee is 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 Trustee either intends 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

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

- Enquiry with management, staff and advisors in tax and compliance functions and Those Charged with Governance regarding known or suspected instances of non-compliance with laws and regulation and fraud;
- Enquiry of management and Those Charged with Governance around actual and potential litigation and claims;
- Reviewing minutes of meetings of Those Charged with Governance;
- Assessing the design and operating effectiveness of controls and procedures relevant to the preparation of the financial statements and the detection and prevention of irregularities and fraud;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Identifying and testing the appropriateness of journal entries and other adjustments, with particular focus on unusual account combinations and postings by unexpected users or senior management;
- Challenging the assumptions and judgements made by management for key estimates, in particular the valuation of investments; and

Independent auditors' report to the Trustees of Whitworth Scholarship's Fund (continued)

For the year ended 31 December 2021

- Incorporating unpredictability into our testing approach through amending the nature and extent of audit procedures.

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

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

Use of our report

This report is made solely to the Charity's trustees, as a body, in accordance with the Charities Act 2011. Our audit work has been undertaken so that we might state to the Charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charity and the Charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

BDO LLP

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BDO LLP, statutory auditor
London, UK
4 May 2022 04 May 2022

BDO LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

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

Whitworth Scholarship's Fund

Statement of Financial Activities For the year ended 31 December 2021

	Notes	Unrestricted Funds £	Endowment Funds £	2021 Total £	Restated 2020 Total £
Income and endowments from:					
Investments					
Interest & dividends	1	208,015	-	208,015	193,186
Bank interest & other income		10	-	10	97
Total		<u>208,025</u>	<u>-</u>	<u>208,025</u>	<u>193,283</u>
Expenditure on:					
Charitable activities					
Scholarships	13	(278,192)	-	(278,192)	(229,838)
Total		<u>(278,192)</u>	<u>-</u>	<u>(278,192)</u>	<u>(229,838)</u>
Net (expenditure) before gains/(losses) on investment assets		(70,167)	-	(70,167)	(36,555)
Net gains/(losses) on investment assets	5	251,065	344,814	595,879	(402,545)
Net (expenditure)/income		<u>180,898</u>	<u>344,814</u>	<u>525,712</u>	<u>(439,100)</u>
Net movement in funds		180,898	344,814	525,712	(439,100)
Reconciliation of funds					
Total funds brought forward	9	2,709,875	3,853,353	6,563,228	7,002,328
Total funds carried forward	9	<u>2,890,773</u>	<u>4,198,167</u>	<u>7,088,940</u>	<u>6,563,228</u>

The Fund has no recognised gains or losses for the year other than as detailed above.

The net movements in the Fund's funds for the year arise from the Fund's continuing activities.

The notes on pages 15-20 form part of these accounts.

Summary of Financial Activities for the year ended 31 December 2020

	Notes	Restated 2020 Unrestricted Funds £	Restated 2020 Endowment Funds £	Restated 2020 Total £
Total income		193,283	-	193,283
Total expenditure	13	(229,838)	-	(229,838)
Net gains on investment assets	5	(169,108)	(233,437)	(402,545)
Net movement in funds:		(205,663)	(233,437)	(439,100)
Total funds brought forward	9	2,915,538	4,086,790	7,002,328
Total funds carried forward:	9	<u>2,709,875</u>	<u>3,853,353</u>	<u>6,563,228</u>

Whitworth Scholarship's Fund

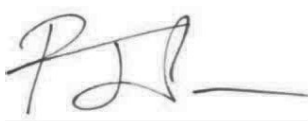
Balance Sheet

For the year ended 31 December 2021

		2021	Restated 2020
		£	£
	Note		
Fixed assets:			
Investments	5	<u>7,140,453</u>	<u>6,544,574</u>
Current assets:			
Debtors	6	55,731	55,732
Cash at bank and in hand		<u>83,065</u>	<u>120,422</u>
<i>Total current assets</i>		<u>138,796</u>	<u>176,154</u>
Liabilities:			
Creditors: Amounts falling due within one year	7	(190,309)	(157,500)
<i>Net current assets</i>		<u>(51,513)</u>	<u>18,654</u>
Total net assets		<u>7,088,940</u>	<u>6,563,228</u>
The funds of the charity:			
Endowment funds	8	4,198,167	3,853,353
Unrestricted funds	8	<u>2,890,773</u>	<u>2,709,875</u>
Total charity funds		<u>7,088,940</u>	<u>6,563,228</u>

The financial statements on pages 15-20 were approved by the Trustee Board of the Institution of Mechanical Engineers on 4 May 2022 and were signed on its behalf by:

Trustee
Philip Peel



Trustee
Peter Flinn



Charity Registration Number: 313756

Whitworth Scholarship's Fund

Statement of Cash Flows

For the year ended 31 December 2021

	2021	2020
	£	£
Cash flows from operating activities:		
<i>Net cash used in operating activities</i>	(245,382)	(250,620)
Cash flows from investing activities		
Dividends, interest from investments	208,025	193,283
<i>Net cash provided by investing activities</i>	208,025	193,283
<i>Change in cash and cash equivalents in the reporting period</i>	(37,357)	(57,337)
<i>Cash and cash equivalent at the beginning of reporting period</i>	120,422	177,759
<i>Cash and cash equivalent at end of reporting period</i>	83,065	120,422

	2021	Restated 2020
	£	£
Reconciliation of net income to net cash flow from operating activities		
Net income as per the statement	525,712	(439,100)
Adjustments for:		
Dividends, interest from investments	(208,025)	(193,283)
(Gains)/losses on investments	(595,879)	402,545
Decrease/(increase) in debtors	1	(42,282)
Increase in creditors	32,809	21,500
Net cash used in operating activities	(245,382)	(250,620)

	Balance	Cash flows	Balance
Analysis of Net Funds	01.01.2021		31.12.2021
	£	£	£
Cash awaiting investment	-	-	-
Cash at bank and in hand	120,422	(37,357)	83,065

Whitworth Scholarship's Fund

Notes to the Financial Statements For the year ended 31 December 2021

Accounting Policies

The Fund is registered with the Charity Commission (registered number: 313756), domiciled in the UK and is a public benefit entity. The address of the registered office is 1 Birdcage Walk, London, SW1H 9JJ. The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Fund's financial statements.

a) **Basis of preparation**

The financial statements have been prepared to give a true and fair view and have departed from the charities (Accounts and Reports) Regulation 2008 only to the extent required to give a true and fair view. The Financial Statements have been prepared in accordance with the Charities SORP. FRS102 The Financial Reporting standard applicable in the UK and Republic of Ireland, and applicable UK charity law.

This departure has involved following 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 (FRS102) effective 1 January 2019 rather than the Accounting and Reporting by Charities: Statement of recommended Practice effective from 1 April 2005 which has since been withdrawn.

The financial statements have been prepared on the historical cost basis of accounting, modified to incorporate the revaluation of investments. The financial statements are prepared in sterling, which is functional currency of the Fund. Monetary amounts in these financial statements are rounded to the nearest pound.

b) **Going Concern**

The financial statements have been prepared on a going concern basis. The financial statements do not include any adjustments that would result from the charity not being able to continue for the next 12 months. The Fund has a strong balance sheet and has access to £6.5m of available investments which could be utilised to cover expenditure if required. Therefore, there are no material uncertainties about the Fund's ability continue as a going concern.

c) **Income**

Investment income is earned from holding assets for investment purposes and includes dividends and bank interest that are presented gross on a receivable basis.

d) **Expenditure**

Scholarship awards are recognized on an academic year basis with any sums due at the year-end in respect of the spring and summer terms being accrued. General expenditure is recognised in the period to which it relates.

Members of the Whitworth Award Panel, who are responsible for selecting Scholars, provide their time free of charge.

e) **Investments**

Investments consist of common investment funds administered by an investment manager and are valued at the year end at the bid price. It is the Fund's policy to keep valuations up to date such that when investments are sold there is no gain or loss arising relating to previous years. As a result the Statement of Financial Activities does not distinguish between the valuation adjustments relating to sales and those relating to continued holdings as they are together treated as changes in the value of the investment portfolio throughout the year.

Whitworth Scholarship's Fund

Notes to the Financial Statements (continued) For the year ended 31 December 2021

Accounting Policies (continued)

e) Investments (continued)

All investment management charges are included in the bid price of units. We are unable to identify investment manager fees separately and so these fees are not disclosed in the Statement of Financial Activities.

f) Grant commitments

Scholarships are awarded for the period of study, usually three years, with payments made on a termly basis.

Expenditure is not accrued beyond each academic year as future payments are subject to a performance review by the Whitworth Panel, which therefore has discretion to terminate the funding agreement in case the performance related conditions are not met.

Multi-year grants that do not meet the recognition criteria are disclosed as contingent liabilities in the notes to the financial statements.

g) Financial assets

The Fund has elected to apply the provisions of Section 11 "Basic Financial Instruments" and Section 12 "Other Financial Instruments Issues" of FRS102 to all its financial instruments.

Financial assets are recognised in the Fund's statement of financial position when the Fund becomes party to the contractual provisions of the instrument.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

h) Critical accounting estimates and judgements

In the application of the accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. 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 affects both current and future periods.

i) Fund Accounting

Endowment Funds are permanently endowed assets, which provide unrestricted income to the Fund. Unrestricted Funds are applied according to the scheme governing the Fund.

Whitworth Scholarship's Fund

Notes to the Financial Statements (continued) For the year ended 31 December 2021

1 Investment Income

	2021	2020
	£	£
Dividends receivable from investment funds	<u>208,015</u>	<u>193,186</u>

All investment income arises from the investments detailed in note 5 below.

2 Taxation

Whitworth Scholarship's Fund is considered to pass the tests set out in paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable trust for UK Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable trust for UK income tax purposes. Accordingly the Fund is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 10 Income Tax Act 2007 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.

3 Trustee's Remuneration and Expenses

The Trustee neither received nor waived any remuneration or expenses during the period (2020 - Nil).

4 Employees

There were no employees in the year ended 31 December 2021 (2020 - Nil).

5 Investments

	Market Value 31/12/2021 £	Cost 31/12/2021 £	Market Value 31/12/2020 £	Cost 31/12/2020 £
Permanent Endowment Fund				
BLK Charities UK Bond Fund A Inc	384,337	42,258	412,163	42,258
BLK Charities UK Equity Fund A Inc	3,813,830	620,455	3,441,190	620,455
Fund Total	<u>4,198,167</u>	<u>662,713</u>	<u>3,853,353</u>	<u>662,713</u>
Unrestricted Fund Holding				
BLK Charities UK Bond Fund A Inc	214,085	127,874	229,585	127,874
BLK Charities UK Equity Fund A Inc	2,728,202	691,556	2,461,636	691,556
Fund Total	<u>2,942,287</u>	<u>819,430</u>	<u>2,691,221</u>	<u>819,430</u>
Total Investments	<u>7,140,454</u>	<u>1,482,143</u>	<u>6,544,574</u>	<u>1,482,143</u>

Whitworth Scholarship's Fund

Notes to the Financial Statements (continued) For the year ended 31 December 2021

5 Investments - continued

	2021 £	2020 £
Movement of investments		
Market value at 1 January	6,544,574	6,947,120
Net investment gains	595,879	(402,546)

Investment manager fees are included within net investment gains and cannot be separately identified

Market value at 31 December	7,140,453	6,544,574
Historic cost at 31 December	(1,482,143)	(1,482,143)
Unrealised investment gains at 31 December	5,658,310	5,062,431

6 Debtors

	2021 £	2020 £
Dividends receivable	55,731	55,732

7 Creditors

	2021 £	Restated 2020 £
Grants payable	169,000	157,500
Other creditors	21,309	-
Total creditors	190,309	157,500

8 Statement of Funds

	Restated Balance at 01/01/2021 £	Net (expenditure)/ income £	Movement Gain/(Loss) on investment assets £	Balance at 31/12/2021 £
Permanent Endowment Fund	3,853,353	-	344,814	4,198,167
Unrestricted Fund	2,709,875	(70,167)	251,065	2,890,773
Fund Total	6,563,228	(70,167)	595,879	7,088,940
	Restated 01/01/2020 £	£	£	Restated 31/12/2020 £
Permanent Endowment Fund	4,086,790	-	(233,437)	3,853,353
Unrestricted Fund	2,915,538	(36,555)	(169,108)	2,709,875
Fund Total	7,002,328	(36,555)	(402,545)	6,563,228

The Permanent Endowment Fund provides the permanent capital base in the form of investments.

The Unrestricted Fund represents accumulated income most of which has been invested. The income from these investments and those held in the Permanent Endowment Fund is used to pay the scholarship awards.

Whitworth Scholarship's Fund

Notes to the Financial Statements (continued) For the year ended 31 December 2021

9 Analysis of net assets between funds

	Unrestricted Fund £	Permanent Endowment Fund £	Total 2021 £	Restated Total 2020 £
Investments	2,942,286	4,198,167	7,140,453	6,544,574
Net current assets	(51,513)	-	(51,513)	18,654
Total net assets	<u>2,890,773</u>	<u>4,198,167</u>	<u>7,088,940</u>	<u>6,563,228</u>
	Restated £	£	Restated 2020 £	Restated 2019 £
Investments	2,691,221	3,853,353	6,544,574	6,947,120
Net current assets	18,654	-	18,654	55,208
Total net assets	<u>2,709,875</u>	<u>3,853,353</u>	<u>6,563,228</u>	<u>7,002,328</u>

10 Ultimate parent

Control of the charity rests with the Institution of Mechanical Engineers (Charity reg.N 206882, domiciled in the UK and is a public benefit entity, registered at 1 Birdcage Walk, London, SW1H 9JJ) as sole Trustee under the terms of a Scheme made by the Charity. The Institution of Mechanical Engineers is an independent professional association, and learned society, that represents mechanical engineers and the engineering profession.

11 Grant commitments

These sums have been provisionally approved as grants to be made to current scholars for completion of their studies. Because the Trustee has further actions to take on them before releasing for payment, they have not been recognised in this year's accounts. No discounting has been applied to grant commitments due in more than one year on the basis that it would be immaterial.

	2021 £	Restated 2020 £
Scholarships due for payment within one year	68,667	61,442
Scholarships due for payment after one year	382,583	386,750
Total scholarship commitments	<u>451,250</u>	<u>448,192</u>

The 2020 disclosure has been restated to reflect the grant commitment for completion of studies. Previously, a two-term commitment was reported. The impact of the restatement is an increase to disclosed grant commitments of £290,692. Further details are provided in Note 15.

12 Related parties

The Institution of Mechanical Engineers administers the Prizes for Whitworth Scholarships Trust Fund. It incurs costs relating to venue hire, speakers and catering which are recharged to the Trust Fund. The amount recharged during the year ended 31 December 2021 was £0 (2020: £0 and the amount due to the Institution at the year end was £0 (2020: £0))

Whitworth Scholarship's Fund

Notes to the Financial Statements (continued) For the year ended 31 December 2021

13 Expenditure on charitable activities

	2021	Restated 2020
	£	£
Scholarships	262,132	229,750
Prizes administration	16,060	88
Total	<u>278,192</u>	<u>229,838</u>

Scholarships in both 2020 and 2021 were awarded to the individuals, studying engineering either part-time or full-time, and intended for their educational needs.

The total amounts incurred in respect of audit fees in 2021 were £4,120 (2020: £4,000).

14 Financial instruments

	2021	2020
	£	£
Financial assets measured at amortised cost	138,796	176,154
Financial liabilities measured at amortised cost	190,309	157,500
Financial assets measured at fair value	7,140,453	6,544,574

15 Prior period adjustment

Scholarships are awarded for a period of study, usually three years, with a performance review required at the end of each academic year. In prior periods, we have not accrued for scholarships awarded for the academic year not yet paid at year-end. We have restated creditor and fund balances accordingly.

Restatement of creditors

	2020	2019
	£	£
Grants payable within one year as previously reported	-	-
Grants payable within one year as restated	157,500	136,000

Restatement of funds

		Movement		
	Balance at 01/01/2020	Net (expenditure) /income	Gain/(Loss) on investment assets	Balance at 31/12/2020
	£	£	£	£
Unrestricted fund as previously reported	3,051,538	(15,055)	(169,108)	2,867,375
Unrestricted fund as restated	2,915,538	(36,555)	(169,108)	2,709,875

Restatement of net assets between funds

	Unrestricted Fund 2020	Unrestricted Fund 2019
	£	£
Net current assets as previously reported	176,154	191,208
Net current assets as restated	18,654	55,208

Whitworth Scholarship's Fund

Notes to the Financial Statements (continued) For the year ended 31 December 2021

15 Prior period adjustment (continued)

Scholarship commitments were previously reported for two terms only. We have established that a commitment exists for the full duration of study at the time of the award. As such, prior period grant commitment balances have been restated.

Restatement of grant commitments	Previously reported 2020 £	Restated 2020 £
Scholarships due for payment within one year	157,500	61,442
Scholarships due for payment after one year	-	386,750
Total scholarship commitments	<u>157,500</u>	<u>448,192</u>

WHITWORTH SCHOLARSHIP'S FUND

England & Wales - Charity number 313756

Accounts

Whitworth Scholarship's Fund

**Trustee Board's Report and Annual Accounts
For the Year Ended 31 December 2020**

Registered Charity No: 313756

Whitworth Scholarship's Fund

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Whitworth Scholarship's Fund

Legal and Administrative Information For the year ended 31 December 2020

Name:	Whitworth Scholarships Fund
Charity Number:	313756
Trustee:	The Institution of Mechanical Engineers 1 Birdcage Walk, Westminster London SW1H 9JJ
Chief Executive Officer:	Colin Brown
Administrator:	IMechE Prizes & Awards ASK House Northgate Avenue Bury St Edmunds Suffolk IP32 6BB
Bankers:	CAF Bank Ltd PO Box 289 Kings Hill West Malling Kent ME19 4TA
Auditor:	BDO LLP 55 Baker Street, London W1U 7EU
Investment Manager:	Blackrock Investment Management (UK) Limited 33 King William Street London EC4R 9AS
Governing Instruments:	Deed of Trust between Sir Joseph Whitworth and the Secretary of State for Education dated 23 September 1868 Charity Commissioners for England and Wales Scheme dated 11 December 2001

Whitworth Scholarship's Fund

Trustee's Report For the year ended 31 December 2020

The Trustee presents its report along with the financial statements of the Fund for the year ended 31 December 2020. The financial statements have been prepared in accordance with the accounting policies set out below and comply with the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in 2019.

Governance and Management

The Whitworth Scholarship's Fund was established in 1868 under a deed of covenant and trust between Sir Joseph Whitworth, a leading manufacturer of machine tools, and the then President of the Committee of Council on Education. The Fund is now governed under the terms of a Scheme made by the Fund Commissioners for England and Wales dated 11 December 2001.

The objects of the Fund, as stated in the Scheme, are to promote education in all engineering disciplines with a preference for mechanical engineering through the award of:

- Scholarships to suitably qualified applicants to enable them to study engineering, with a preference for mechanical engineering, at any establishment approved by the trustee; and
- Prizes for solutions to real problems encountered in the workplace by engineers following accredited programme of work-based training.

Objective and Activities

Under the terms of the Scheme dated 11 December 2001, the Institution of Mechanical Engineers (IMechE) succeeded the Secretary of State for Education and Skills as sole trustee of the Fund.

The IMechE administers the Fund assisted by the IMechE Whitworth Awards Panel, which advises the IMechE in making decisions on the awards. Membership of the Panel includes representatives from the Whitworth Society, the Learning and Skills Council and the engineering professions. Panel members are not remunerated but may claim reasonable travel and subsistence expenses.

General costs of administering the Fund are borne by the IMechE but costs incurred in selection of scholars are reimbursed out of votes of Parliament.

Value of Scholarships

The level of award is determined partly by the demand for scholarships and partly by the performance of the Fund's investment portfolios.

The Undergraduate/MSc Scholarship was valued at £5,000 p.a. full-time, £2,500 p.a. part-time. The Senior Scholarship was valued at £7,500 p.a.

The Whitworth Awards Panel in the first part of 2020 sought applications for the Awards, with 38 applications received for the Whitworth Scholarship Awards. 22 candidates were called for interview, which were held virtually, via Microsoft Teams and 17 awards were made (3 for full-time study and 14 for part-time study).

Whitworth Scholarship's Fund

Trustee's Report (continued) For the year ended 31 December 2020

Value of Scholarships (continued)

A total of 6 applications were received for the Whitworth Senior Scholarship Awards for engineering research, leading to a PhD or EngD. 3 candidates were called for a virtual interview and 3 awards were made.

14 award holders successfully completed their degree courses and were awarded the title "Whitworth Scholar", 8 graduated with first class honours, 6 with a distinction MSc (Hons). 1 Senior Scholarship Award holder successfully completed their research degree and were awarded the title "Whitworth Senior Scholar".

Due to the lockdown associated with the Global Pandemic it was necessary to celebrate the achievements of the new Award Holders and Scholars, by holding a Virtual Awards Ceremony. The Virtual Awards Ceremony was held on 5 November 2020, via WebEX at 14:00hrs and Jenny Kenny (President of Whitworth Society) and Terry Spall (President) made the presentations. The Chair of the Trustee Board Awards Committee – Richard Folkson and The Chief Executive – Dr Colin Brown participated in the proceedings .

Achievements and Performance

During the period covered by this report £208,250 (2019: £158,393) was paid to scholarship students and for prize administration, and £88 (2019: £93) was paid in bank charges. Income from the investment portfolios and bank deposits amounted to £193,283 (2019: £198,893) resulting in net (expenditure) before (losses)/gains on investment assets of £15,055 (net income 2019: £40,601). As a result of movement in the Stock Market the closing values of the Permanent Endowment Fund decreased to £3,853,353 (2019: £4,086,790) and the closing value of the Unrestricted Fund decreased to £2,867,375 (2019: £3,051,538) as a result of decreasing in the net gains on investment assets.

Investment Policy

All the Fund's income is generated from investments and bank deposits. The investments of the Fund are held in the form of Common Investment Funds that are suitable for a Fund of this nature. The Permanent Endowment Fund represents the original donation made by Sir Joseph Whitworth to provide income to pay for scholarships. The Unrestricted Fund represents accumulations of unspent income that has accrued during the long history of the Trust; most of this income has been reinvested to generate an additional source of income to fund scholarships.

The Fund reviews the performance of the investments on a quarterly basis and aims to formally meet the investment manager at least once a year. The Trustee has established an investment policy which takes social, environmental and ethical considerations into account and includes the following principles:

1. A diversity of investments will be held.
2. Investment policy will be appropriate to the needs of the Fund.
3. Appropriately authorised investment managers will be employed.
4. Appropriately authorised nominees may be employed to hold individual stocks and shares.

Whitworth Scholarship's Fund

Trustee's Report (continued) For the year ended 31 December 2020

Risk Management

The IMechE has reviewed the major risks to which the Fund is exposed. The principal risks facing the Fund are those related to the income and finances of the Fund. Covid-19 and Brexit had some impact on the investment valuation volatility; the IMechE has taken steps as far as possible to mitigate exposure to those risks by keeping the Investment Policy under review, including the mix of investments held and monitoring expenditure.

Reserves policy

Unrestricted reserves at 31 December 2020 were £2,862,053 (2019: £3,051,537). IMechE has decided to set a target of utilising all the available income for scholarships provided candidates of sufficient merit can be found. The Trust Fund also has a permanent endowment fund; its year end balance was £3,853,353 (2019: £4,086,790)

The Trustee has a policy which requires that the level of free reserves should reflect at least six months of charitable spend. The impact of Covid-19 has been taken into consideration and this policy is deemed appropriate for the reported financial period. Independently of the Covid-19 impact, a review is currently underway to consider how to reflect the impact of risks in the free reserves target in a more dynamic and responsive way. A revised policy will be presented to the Trustee for consideration during 2021.

Public Benefit

The IMechE confirms that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Fund's aims and objectives and in planning future activities and setting the grant making policy for the year.

Future developments

The Whitworth Awards Panel constantly reviews the scheme and at present have agreed not to make any changes for 2021.

Recruitment and appointment of the Trustees

The Trust Deed states that the Institution of Mechanical Engineers is the Trustee of the Scheme. The Institution of Mechanical Engineers is governed by a Trustee Board comprising of members of the Institution elected to office by Corporate and Associate Members, through an annual election process as detailed in the Royal Charter & By-laws of the Institution.

Whitworth Scholarship's Fund

Statement of Trustee's Responsibilities For the year ended 31 December 2020

Statement of Trustee's responsibilities in respect of the Trustee's annual report and the financial statements

The Trustee is responsible for preparing the Trustee's Annual Report and the financial statements in accordance with applicable law and regulations.

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



In preparing these financial statements, generally accepted accounting practice entails that the Trustee:

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

The Trustee is required to act in accordance with the trust deed of the Fund, within the framework of trust law. The Trustee is responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

The Trustee's Report was approved by the Trustee Board of the Institution of Mechanical Engineers on 5 May 2021 and was signed on its behalf by:

Trustee	(Philip Peel)
	()
Trustee	(Terry Spall)
	()

Independent auditors' report to the Trustees of Whitworth Scholarship's Fund For the year ended 31 December 2020

Opinion on the financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 31 December 2020 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

We have audited the financial statements of Whitworth Scholarship's Fund ("the Charity") for the year ended 31 December 2020 which comprise the statement of financial activities for the year ended 31 December 2020, the balance sheet, the statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Charity in accordance with the ethical requirements relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions related to going concern

In auditing the financial statements, we have concluded that the Trustee's 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 Trustee with respect to going concern are described in the relevant sections of this report.

Other information

The Trustee is responsible for the other information. The other information comprises the information included in the Trustee Board's Report other than the financial statements and our auditor's report thereon. The other information comprises: Trustee's 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. 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.

Independent auditor's report to the Trustees of Whitworth Scholarships Fund (continued) For the year ended 31 December 2020

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 Act 2011 require us to

- the information contained in the financial statements is inconsistent in any material respect with the Trustee's Annual Report; or
- adequate accounting records have not been kept; or
- the 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 the Trustee

As explained more fully in the Statement of Trustee's Responsibilities, the Trustee is 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 Trustee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustee is 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 Trustee either intends 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

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

Based on our understanding of the charity and the industry in which it operates, we identified that the principle laws and regulations that directly affect the financial statements to be relevant are the Charities Act in the UK, UK GAAP and tax legislation. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

We considered the Charity's own assessment of the risks that irregularities may occur either as a result of fraud or error. We also considered financial performance and key drivers for any performance targets. We also considered the risks of non-compliance with other requirements imposed by the Charity Commission and we considered to extent to which non-compliance might have a material effect of the financial statements.

In addition the charity is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We have identified the following areas as those most likely to have such as effect: employment law and data protection. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of Those Charged with Governance and other management as well as inspection of regulatory and legal correspondence if any.

Independent auditor's report to the Trustees of Whitworth Scholarships Fund (continued) For the year ended 31 December 2020

Audit procedures performed by the engagement team included:

- Enquiry with management, staff and advisors in tax and compliance functions and Those Charged with Governance regarding known or suspected instances of non-compliance with laws and regulation and fraud;
- Enquiry of management and Those Charged with Governance around actual and potential litigation and claims;
- Reviewing minutes of meetings of Those Charged with Governance;
- Assessing the design and operating effectiveness of controls and procedures relevant to the preparation of the financial statements and the detection and prevention of irregularities and fraud;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Testing the transfer of data from the old finance system to the new finance system to verify the completeness and integrity of financial data;
- Identifying and testing the appropriateness of journal entries and other adjustments, with particular focus on unusual account combinations and postings by unexpected users or senior management;
- Challenging the assumptions and judgements made by management for key estimates, in particular the valuation of investments; and
- Incorporating unpredictability into our testing approach through amending the nature and extent of audit procedures.

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

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

Use of our report

This report is made solely to the Charity's Trustee, as a body, in accordance with the Charities Act 2011. Our audit work has been undertaken so that we might state to the Charity's Trustee those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charity and the Charity's Trustee as a body, for our audit work, for this report, or for the opinions we have formed.

BDO LLP, statutory auditor
London, UK
Date 04 June 2021

DocuSigned by:
BDO LLP
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BDO LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

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

Whitworth Scholarship's Fund

Statement of Financial Activities For the year ended 31 December 2020

	Notes	Unrestricted Funds £	Endowment Funds £	2020 Total £	2019 Total £
Income and endowments from:					
<i>Investments</i>					
Interest & Dividend	1	193,186	-	193,186	198,893
Bank interest & Other income		97	-	97	194
Total		<u>193,283</u>	<u>-</u>	<u>193,283</u>	<u>199,087</u>
Expenditure on:					
<i>Charitable activities</i>					
Scholarships	12	(208,338)	-	(208,338)	(158,486)
Total		<u>(208,338)</u>	<u>-</u>	<u>(208,338)</u>	<u>(158,486)</u>
Net (expenditure)/income before (losses)/gains on investment assets		(15,055)	-	(15,055)	40,601
Net (losses)/gains on investment assets	7	(169,108)	(233,437)	(402,545)	1,068,441
Net (expenditure)/income		<u>(184,163)</u>	<u>(233,437)</u>	<u>(417,600)</u>	<u>1,109,042</u>
Net movement in funds:		(184,163)	(233,437)	(417,600)	1,109,042
Reconciliation of funds:					
Total funds brought forward	8	3,051,538	4,086,790	7,138,328	6,029,286
Total funds carried forward:	8	<u>2,867,375</u>	<u>3,853,353</u>	<u>6,720,728</u>	<u>7,138,328</u>

The Fund has no recognised gains or losses for the year other than as detailed above.

The net movements in the Fund's funds for the year arise from the Fund's continuing activities.

The Notes on pages 15-20 form part of these accounts.

Summary of Financial Activities for the year ended 31 December 2019

	Notes	2019 Unrestricted Funds £	2019 Endowment Funds £	2019 Total £
Total income		199,087	-	199,087
Total expenditure	12	(158,486)	-	(158,486)
Net Gains on investment assets	7	444,680	623,761	1,068,441
Net movement in funds:		485,281	623,761	1,109,042
Total funds brought forward	8	2,566,257	3,463,029	6,029,286
Total funds carried forward:	8	<u>3,051,538</u>	<u>4,086,790</u>	<u>7,138,328</u>

Whitworth Scholarship's Fund

Statement of Financial Activities For the year ended 31 December 2019

Statement of Financial Activities for the year ended 31 December 2019

	Notes	2019 Unrestricted Funds £	2019 Endowment Funds £	2019 Total £
Income and endowments from:				
Investments				
Interest & Dividend	1	198,893	-	198,893
Bank interest		194	-	194
Total		<u>199,087</u>	<u>-</u>	<u>199,087</u>
Expenditure on:				
Charitable activities				
Scholarships	12	<u>(158,486)</u>	<u>-</u>	<u>(158,486)</u>
Total		<u>(158,486)</u>	<u>-</u>	<u>(158,486)</u>
Net income/(expenditure) before gains/(losses) on investment assets		40,601	-	40,601
Net Gains on investment assets	7	444,680	623,761	1,068,441
Net income		<u>485,281</u>	<u>623,761</u>	<u>1,109,042</u>
Net movement in funds:		485,281	623,761	1,109,042
Reconciliation of funds:				
Total funds brought forward	8	<u>2,566,257</u>	<u>3,463,029</u>	<u>6,029,286</u>
Total funds carried forward:	8	<u><u>3,051,538</u></u>	<u><u>4,086,790</u></u>	<u><u>7,138,328</u></u>

The Fund has no recognised gains or losses for the year other than as detailed above.

The net movements in the Fund's funds for the year arise from the Fund's continuing activities.

The Notes on pages 15-20 form part of these accounts.



Whitworth Scholarship's Fund

Balance Sheet

For the year ended 31 December 2020

		2020 £	2019 £
Fixed assets:	Note		
Investments	5	<u>6,544,574</u>	<u>6,947,120</u>
Current assets:			
Debtors	6	55,732	13,450
Cash at bank and in hand		<u>120,422</u>	<u>177,758</u>
<i>Total current assets</i>		<u>176,154</u>	<u>191,208</u>
<i>Net current assets</i>		<u>176,154</u>	<u>191,208</u>
Total net assets		<u>6,720,728</u>	<u>7,138,328</u>
The funds of the charity:			
Endowment funds	8	3,853,353	4,086,790
Total unrestricted funds	8	<u>2,867,375</u>	<u>3,051,538</u>
Total charity funds		<u>6,720,728</u>	<u>7,138,328</u>

The financial statements on pages 15-20 were approved by the Trustee Board of the Institution of Mechanical Engineers on 5 May 2021 and were signed on its behalf by:

Trustee	(Philip Peel) ()
Trustee	(Terry Spall) ()

Charity Registration Number : 313756

Whitworth Scholarship's Fund

Statement of Cash Flows For the year ended 31 December 2020

	2020 £	2019 £
Cash flows from operating activities:		
Net cash used in operating activities	<u>(250,620)</u>	<u>(158,486)</u>
Cash flows from investing activities		
Dividends, interest from investments	<u>193,283</u>	<u>199,087</u>
Net cash provided by investing activities	<u>193,283</u>	<u>199,087</u>
<i>Change in cash and cash equivalents in the reporting period</i>	(57,337)	40,601
<i>Cash and cash equivalent at the beginning of reporting period</i>	<u>177,758</u>	<u>137,157</u>
<i>Cash and cash equivalent at end of reporting period</i>	<u><u>120,422</u></u>	<u><u>177,758</u></u>

	2020 £	2019 £
Reconciliation of net income to net cash flow from operating activities		
Net income as per the statement	<u>(417,600)</u>	<u>1,109,042</u>
Adjustments for:		
Dividends, interest from investments	(193,283)	(199,087)
Loss/(gains) on Investments	402,545	(1,068,441)
(Increase) in debtors	<u>(42,282)</u>	<u>-</u>
Net cash used in operating activities	<u>(250,620)</u>	<u>(158,486)</u>

	Balance 01.01.2020 £	Cash flows £	Balance 31.12.2020 £
Analysis of Net Funds			
Cash awaiting investment	-	-	-
Cash at bank and in hand	177,758	(57,337)	120,422

Whitworth Scholarship's Fund

Notes to the Financial Statements For the year ended 31 December 2020

Accounting Policies

The Fund is registered with the Charity Commission (registered number: 313756), domiciled in the UK and is a public benefit entity. The address of the registered office is 1 Birdcage Walk, London, SW1H 9JJ. The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Fund's financial statements.

a) **Basis of preparation**

The Financial statements have been prepared to give a true and fair view and have departed from the charities (Accounts and Reports) Regulation 2008 only to the extent required to give a true and fair view. The Financial Statements have been prepared in accordance with the Charities SORP. FRS102 The Financial Reporting standard applicable in the UK and Republic of Ireland, and applicable UK charity law.

This departure has involved following 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 (FRS102) effective 1 January 2019 rather than the Accounting and Reporting by Charities: Statement of recommended Practice effective from 1 April 2005 which has since been withdrawn.

The financial statements have been prepared on the historical cost basis of accounting, modified to incorporate the revaluation of investments. The financial statements are prepared in sterling, which is functional currency of the Fund. Monetary amounts in these financial statements are rounded to the nearest pound.

b) **Going Concern**

The financial statements have been prepared on a going concern basis. The financial statements do not include any adjustments that would result from the charity not being able to continue for the next 12 months. The Fund has a strong balance sheet and has access to £6.5m of available investments which could be utilised to cover expenditure if required. Therefore, there are no material uncertainties about the Fund's ability continue as a going concern.

c) **Income**

Investment income is earned from holding assets for investment purposes and includes dividends and bank interest that are presented gross on a receivable basis.

d) **Expenditure**

Scholarship awards are made each term on an academic year basis with any sums due at the year end in respect of the summer term being accrued.

General expenditure (including administrative expenditure and audit fees) are borne by the IMechE. The Fund recognises expenditure for scholarships/prizes and awards.

Members of the Whitworth Award Panel, who are responsible for selecting Scholars, provide their time free of charge.

e) **Investments**

Investments consist of common investment funds administered by an investment manager and are valued at the year end at the bid price. It is the Fund's policy to keep valuations up to date such that when investments are sold there is no gain or loss arising relating to previous years. As a result the Statement of Financial Activities does not distinguish between the valuation adjustments relating to sales and those relating to continued holdings as they are together treated as changes in the value of the investment portfolio throughout the year.

Whitworth Scholarship's Fund

Notes to the Financial Statements (continued) For the year ended 31 December 2020

Accounting Policies (continued)

e) Investments (continued)

All investment management charges are included in the bid price of units, we are unable to identify investment manager fees separately and so these fees are not disclosed in the Statement of Financial Activities.

f) Commitments

Scholarships are awarded for three academic years with the students' satisfactory progress being assessed on an annual basis.

Expenditure is not accrued beyond each academic year as future payments are subject to a review by the Whitworth Panel and therefore gives it discretion to terminate the funding agreement in case the performance related conditions are not met.

Prizes are paid in two instalments over consecutive years.

g) Financial assets

The Fund has elected to apply the provisions of Section 11 "Basic Financial Instruments" and Section 12 "Other Financial Instruments Issues" of FRS102 to all its financial instruments.

Financial assets are recognised in the Fund's statement of financial position when the Fund becomes party to the contractual provisions of the instrument.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

h) Critical accounting estimates and judgements

In the application of the accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. 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 affects both current and future periods.

i) Fund Accounting

Endowment Funds are permanently endowed assets, which provide unrestricted income to the Fund. Unrestricted Funds are applied according to the scheme governing the Fund.

Whitworth Scholarship's Fund

Notes to the Financial Statements (continued) For the year ended 31 December 2020

1 Investment Income

	2020	2019
	£	£
Dividends receivable from investment funds	<u>193,186</u>	<u>198,893</u>

All investment income arises from the investments detailed in note 5 below.

2 Taxation

Whitworth Scholarship's Fund is considered to pass the tests set out in paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable trust for UK Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable trust for UK income tax purposes. Accordingly the Fund is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 10 Income Tax Act 2007 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.

3 Trustee's Remuneration and Expenses

The Trustee neither received nor waived any remuneration or expenses during the period (2019 - Nil).

4 Employees

There were no employees in the year ended 31 December 2020 (2019 - Nil).

5 Investments

	Market Value 31/12/2020	Cost 31/12/2020	Market Value 31/12/2019	Cost 31/12/2019
	£	£	£	£
Permanent Endowment Fund				
BLK Charities UK Bond Fund A Inc	412,163	42,258	398,772	42,258
BLK Charities UK Equity Fund A Inc	<u>3,441,190</u>	<u>620,455</u>	<u>3,688,018</u>	<u>620,455</u>
Fund Total	<u><u>3,853,353</u></u>	<u><u>662,713</u></u>	<u><u>4,086,790</u></u>	<u><u>662,713</u></u>
Unrestricted Fund Holding				
BLK Charities UK Bond Fund A Inc	229,585	127,874	222,126	127,874
BLK Charities UK Equity Fund A Inc	<u>2,461,636</u>	<u>691,556</u>	<u>2,638,202</u>	<u>691,556</u>
Fund Total	<u><u>2,691,221</u></u>	<u><u>819,430</u></u>	<u><u>2,860,329</u></u>	<u><u>819,430</u></u>
Total Investments	<u><u>6,544,574</u></u>	<u><u>1,482,143</u></u>	<u><u>6,947,119</u></u>	<u><u>1,482,143</u></u>

Whitworth Scholarship's Fund

Notes to the Financial Statements (continued) For the year ended 31 December 2020

5 Investments - continued	2020 £	2019 £
Movement of investments		
Market value at 1 January	6,947,120	5,878,679
Net investment gains	<u>(402,545)</u>	<u>1,068,441</u>
Investment manager fees are included within net investment gains and cannot be separately identified		
Market value at 31 December	6,544,574	6,947,120
Historic cost at 31 December	<u>(1,482,143)</u>	<u>(1,482,143)</u>
Unrealised investment gains at 31 December	<u>5,062,431</u>	<u>5,464,977</u>
6 Debtors	2020	2019
	£	£
Dividends receivable	<u>55,732</u>	<u>13,450</u>

7 Statement of Funds	01/01/2020	Movement	31/12/2020
		Net (expenditure)/I ncome	Gain/(Loss) on Investment assets
	£	£	£
Permanent Endowment Fund	4,086,790	-	(233,437)
Unrestricted Fund	<u>3,051,538</u>	<u>(15,055)</u>	<u>(169,108)</u>
Fund Total	<u>7,138,328</u>	<u>(15,055)</u>	<u>(402,545)</u>
	01/01/2019		31/12/2019
	£	£	£
Permanent Endowment Fund	3,463,029	-	623,761
Unrestricted Fund	2,566,257	40,601	444,680
Fund Total	<u>6,029,286</u>	<u>40,601</u>	<u>1,068,441</u>

The Permanent Endowment Fund provides the permanent capital base in the form of investments.

The Unrestricted Fund represents accumulated income most of which has been invested. The income from these investments and those held in the Permanent Endowment Fund is used to pay the scholarship awards.

Whitworth Scholarship's Fund

Notes to the Financial Statements (continued) For the year ended 31 December 2020

8 Analysis of Net Assets between Funds

	Unrestricted Fund £	Permanent Endowment Fund £	Total 2020 £	Total 2019 £
Investments	2,691,221	3,853,353	6,544,574	6,947,120
Net current assets	176,154	-	176,154	191,208
Total Net Assets	2,867,375	3,853,353	6,720,728	7,138,328

	£	£	2019 £	2018 £
Investments	2,860,330	4,086,790	6,947,120	5,878,679
Net current assets	191,208	-	191,208	150,607
Total Net Assets	3,051,538	4,086,790	7,138,328	6,029,286

9 Ultimate Parent

Control of the charity rests with the Institution of Mechanical Engineers (Charity reg.N 206882, domiciled in the UK and is a public benefit entity, registered at 1 Birdcage Walk, London, SW1H 9JJ) as sole Trustee under the terms of a Scheme made by the Charity. The Institution of Mechanical Engineers is an independent professional association, and learned society, that represents mechanical engineers and the engineering profession.

10 Grant Commitments

These sums have been provisionally approved as grants to be made up to 31 December 2020. Because the Trustee has further actions to take on them before releasing for payment, they have not been recognised in this year's accounts.

No discounting has been applied to grant commitments due in more than one year on the basis that the periods over which amounts will be settled are such that any discounting would be immaterial.

	2020 £	Restated 2019 £
Due for payment in 2020		136,000
Due for payment in 2021	157,500	

The 2019 disclosure has been restated to disclose the two-term grant commitment, previously just one term was reported.

11 Related Parties

The Institution of Mechanical Engineers administers the Prizes for Whitworth Scholarships Trust Fund. It incurs costs relating to venue hire, speakers and catering which are recharged to the Trust Fund. The amount recharged during the year ended 31 December 2020 was £0 (2019: £0 and the amount due to the Institution at the year end was £0 (2019: £0))

Whitworth Scholarship's Fund

Notes to the Financial Statements (continued) For the year ended 31 December 2020

12 Expenditure on charitable activities

	2020	2019
	£	£
Scholarships	208,338	158,486
Prizes administration	-	-
Total	<u>208,338</u>	<u>158,486</u>

Scholarships in both 2019 and 2020 were awarded to the individuals, studying engineering either part-time or full-time, and intended for their educational needs.

The total amounts incurred in respect of audit fees in 2020 were £4,000 (2019: £2,250).

13 Financial Instruments

	2020	2019
	£	£
Financial assets measured at amortised cost	176,154	191,207
Financial assets measured at fair value	6,544,574	6,947,120