EngineeringUK

The Engineering and Technology Board

Trading as the EngineeringUK Group

Report and Financial Statements

For the Year Ended 31 August 2022

COMPANY NO: 4322409

ENGLAND AND WALES CHARITY NO: 1089678

SCOTLAND CHARITY NO: SC046249

SATURDAY
ABW6U5KP
A06 28/01/2023 #232
COMPANIES HOUSE

CONTENTS

Report of the Trustees

Introduction

The Trustees present this Annual Report for the purpose of the Charities SORP that includes on pages 3-15 the Strategic Report required under company law. The legal and administrative information set out on pages 38-41 also forms part of this report. The financial statements comply with current statutory requirements, the Memorandum and Articles of Association and the Statement of Recommended Practice - Accounts and Reporting by Charities issued in 2015.

This Annual Report covers the 12 months to the end of August 2022. When we developed our plans, we optimistically anticipated that schools would be operating as normal. While most students returned to in-school, face-to-face learning, the school context continued to be affected by the pandemic. In the autumn term, there was a focus on curriculum catch-up and the emergence of the Omicron variant brought restrictions on mixing, equipment sharing, and extra-curricular activities that affected our reach through the spring, and especially limited project work. The Covid surge in June and July also affected engagement. Nevertheless, we were delighted to return to Birmingham in June for the first Big Bang Fair since 2019, bringing hands on STEM experiences and role models to thousands of young people and their parents, carers and teachers.

Over the year, we reached over 58,000 students with our digital Big Bang and Tomorrow's Engineers Week content and over 66,000 through our in-person experiences - Big Bang Fair, Big Bang at Schools, Big Bang Competition, Robotics Challenge and Energy Quest.

We've published a wide range of research looking at young people's progression through the education system, how their experiences differ across the country, and the current and future workforce. The two products we launched in 2020 to help other organisations with their engineering and tech engagement activities have significantly grown in content, activities and reach - the Tomorrow's Engineers Code and Neon, our platform to help teachers find quality activities and careers resources.

We have been working on our 2023-28 strategy through the year, conducting scoping research, discussing our plans across the organisation, with Trustees and a wide range of stakeholders and audiences, including young people and teachers. As our 2021/22 business year closes, we are in a strong financial position to continue to innovate and test new approaches, and we are highly motivated to deliver our plans and lay the bedrock for the next 5 years of impact against our mission.

EngineeringUK Objectives

1. To promote for the public benefit the art and science of engineering in all its applications in the context of modern technology; and
2. To advance education in engineering and technology.

Ambition and goals

Our ambition is to inform and inspire young people and grow the number and diversity of tomorrow's engineers.

We aim to achieve this through:

- Increasing reach and inspiration - reaching more, and more diverse, young people with inspiring messages about careers in engineering
- Developing and sharing insight - being the recognised and trusted voice on the pathways into engineering, related enablers and blockers for young people and good practice for engagement activities
- Growing collective impact - simplifying the landscape and enabling partnerships and collaborations to inspire more, and more diverse, young people into engineering.

Public Benefit

EngineeringUK is a charitable body and exists to deliver benefits to the public. The Trustees have noted the duty in Section 17 of the Charities Act 2011 and given regard to the Charity Commission and The Scottish Charity Regulator's guidance on public benefit.

Benefits arising from our activities are as follows.

- Young people benefit from understanding and being inspired by engineering and technology and being informed about how to progress into engineering, technology and technician roles. At a time when they are concerned about job availability and security, it is important that young people from all backgrounds realise that these roles can meet their needs, as well as delivering societal value. These benefits will be most significant when we work with groups that are under-represented in the engineering and tech workforce - women, young people from socioeconomically disadvantaged or ethnic minority backgrounds and disabled people - as young people from these groups might otherwise have been less likely to progress into engineering and technology.
- Depending on which engagement activities they participate in, young people can improve their motivation, confidence, progression, attainment and develop wider employability skills such as problem solving, team working, and communication and presentation skills. They may also develop specific engineering and technology skills, knowledge or both.

- Schools benefit from activities and employer engagements which can help with students' careers education, including meeting the requirements for English schools set out in the Gatsby benchmarks, as well as through the benefits to their students as identified above. Depending on the activities engaged in, teachers may also learn more about STEM and have professional development to support delivery (e.g., in coding).
- Employers and other stakeholders benefit from better collaboration and coordination of their engagement activities and the provision of evidence, guidance and opportunities to improve their delivery - helping with their own public benefits or commitments around Corporate Social Responsibility or ESG (Environment, Social and Governance), and the efficiency of their work.
- Policymakers and other interested organisations benefit from having a stronger evidence base for their work derived from our research publications that include the make-up of the current workforce, workforce needs, young people's educational pathways into engineering, tech and technician roles, and their experiences of careers education.
- In the longer term, society benefits from having a larger and more diverse engineering, technology and technician workforce - given how central this is to why we do what we do, we explain more about its importance in the section below.

We need more, and more diverse, young people choosing engineering and technology careers

Our ambition - to grow the number and diversity of young people going into engineering and technology - is critical for all our futures. Perhaps most importantly, the UK Government will depend on people working in engineering and tech to achieve Net Zero. The government's green jobs taskforce report in 2021 suggested that about half a million new engineering and manufacturing jobs would be needed to support the green economy by 2050, with 300,000, by 2030. Indeed, engineers, technicians and technologists have a role to play in addressing all the Sustainable Development Goals (SDGs), especially SDG 6 (clean water and sanitation), SDG 7 (affordable and clean energy), SDG 8 (decent work and economic growth), SDG 9 (including resilient infrastructure and sustainable industrialisation), SDG 11 (sustainable cities and communities) and SDG 13 (Climate Action).

This workforce will also be crucial for resolving the wider Grand Challenges (artificial intelligence and data, ageing society and the future of mobility) first identified in the Industrial Strategy and to deliver against the Innovation Strategy, Energy Security Strategy, and Plan for Growth - all providing wide societal benefits.

The engineering and technology workforce could and should be much more diverse to boost innovation, creativity, productivity, resilience, market insight and to give people more equitable career outcomes. Women are the most under-represented group, making up 16.5% of the engineering workforce as compared with 48% of the overall workforce, with comparable figures of 24 and 26% for people from poorer socioeconomic backgrounds, 11 and 15% for disabled people, and 11 and 13% for people from minority ethnic groups.

We therefore need to ensure that more young people come through the education system into engineering and technology and that they come from a wide range of backgrounds. But at present, there are clear issues of under-representation in educational pathways into engineering. For example, in first year undergraduates in 2020/21, just 18% of engineering and technology students were women and 10% had declared that they have a disability or impairment, as compared with 57% and 15%, respectively, across all subject areas.

Young people also inherently diversify the workforce through their youth and this generation is digital first and bring important insights into current and future market needs. Employers also need an age-balanced workforce to ensure a smooth sharing of expertise over the long term.

Objectives and Achievements for 2021/22

1: Increasing reach and inspiration - reaching more, and more diverse, young people with inspiring messages about careers in engineering

Why is this important?

Inspiring more young people from a greater range of backgrounds to pursue the exciting career opportunities in modern engineering is at the heart of our purpose. We help to ensure that all young people are well-informed about the full range of engineering, technology and related careers and academic and vocational pathways into them.

What did we say we would do during 2021/22?

- Create a hybrid Big Bang Programme including: a face to face and digital event, increased entries into the Big Bang Competition, and delivery of the Big Bang at School into a mix of new and repeat schools.
- Deliver Robotics Challenge to a larger number of schools, including those unable to participate in 2020/21, whilst commissioning research to understand how to increase its impact.
- Reiterate and improve Energy Quest based on 2020/21 evaluation and run and compare face to face and online workshops.
- Deliver Tomorrows Engineers week during COP26, focused on environmental sustainability.
- Continue to increase the participation of young people from groups under-represented in engineering in our programmes, including through the EDI bursary schemes and by adding a gender dimension to the EDI criteria[1].

[1] Our Equity, Diversity and Inclusion criteria identify about half of secondary schools across the UK with higher proportions of young people from groups under-represented in engineering based on socioeconomic status, ethnicity and special educational needs, and, from 2021/22, gender.

How did we do?

- The Big Bang Fair returned as a face-to-face event in 2022 with 25,868 young people (from school years 7-9) attending, despite rail strikes, coming from 388 schools, half of which met our EDI criteria. New to 2022, we launched The Big Bang Fair Unlocked where we invited families, community groups and home educators to visit The Big Bang Fair after hours.
- Big Bang Digital returned for a third year viewed by 25,225 unique young people from 146 schools. It featured six fascinating panels of STEM career role-models, streamed live from The Big Bang Fair and a range of interactive on-demand sessions. Feedback from the digital programme was positive with schools enjoying the option of either live streaming or dropping into content at a time which suited them.
- Some of the Fair's panels and all live streamed content was captioned and BSL signed, and on-demand video content was subtitled making it as accessible as possible.
- 197 projects were entered by 470 students into The Big Bang Competition coming from 97 schools and 2 community groups. We showcased 42 projects from 83 students at the Big Bang Fair, finishing the day with an awards ceremony.
- 46 face-to-face Big Bang at School events took place in 2021/22, including 25 new schools, and reaching 15,000 students, 44 in schools that met our EDI Criteria.
- Nearly 5,000 students from 318 schools participated in our Robotics Challenge programme (up from 246 the previous year), 143 (45%) of these met our EDI criteria. We commissioned research to understand how to adapt the programme to increase its impact.
- 541 Energy Quest workshops were delivered to over 20,000 students with adaptations responding to the previous year's evaluation aimed at increasing the engagement of girls through a new design element.
- We continue to support, including with funding and staff time, the Royal Academy of Engineering's *This is Engineering* campaigns.
- We organised another successful Tomorrows Engineers Week which coincided with COP26. Over 33,000 students from over 300 schools took part in on-demand content with 34 schools in the live session. We had over 110,000 film views of case studies.
- EDI bursaries were available for the Robotics Challenge, Neon, Big Bang at School, and travel to the Big Bang Fair or Competition, with 193 schools offered bursaries. Initial evaluation of the bursaries is positive, with a high percentage of teachers across the programme agreeing with the statement, "*the bursary allowed my school to involve more students from underrepresented backgrounds*"

2: Developing and sharing insight - being the recognised and trusted voice on the pathways to engineering, related enablers and blockers for young people and good practice for engagement activities.

Why is this important?

Thought leadership is needed to deepen the understanding of what outreach works and what deters young people from pursuing engineering. Better evaluation and analysis are essential to improve engineering focused STEM outreach activities and to develop more innovative ones

that produce better outcomes. These insights need to sit alongside analysis of the engineering sector, its current workforce and future workforce needs

What did we say we would do during 2021/22?

- Continue modularised and flexible approach to the Engineering UK State of Engineering Reporting and the next phase of our work on careers provision including interactive dashboards on the engineering sector and research reports on engineering pathways and the engineering workforce.
- Publish reports and briefings from the 2020/21 Engineering Brand Monitor data and run a shortened version of the survey in spring 2022.

How did we do?

- We have produced two publications on educational pathways into engineering, Secondary pathways into engineering, and Further education and apprenticeship pathways into engineering, and two reports on workforce make-up and needs, Trends in the engineering workforce and Women in Engineering, and a review of estimates of Net zero workforce needs.
- We published briefings based on data from the 2020/21 Engineering Brand Monitor, including: Environmental Sustainability and Engineering and Levelling up engineering skills: widening opportunities for young people.

3: Growing collective impact - simplifying the landscape and enabling partnerships and collaborations to inspire more, and more diverse, young people into engineering

Why is this important?

We need all organisations with an interest in increasing the number and diversity of tomorrow's engineers to work together more effectively, sharing their learnings and better coordinating and targeting their activities.

What did we say we would do during 2021/22

- Include more quality experiences for schools on Neon, enable providers to target their experiences to EDI criteria schools.
- Recruit more Signatories to The Code and enable greater collaboration through a series of events and improved information sharing.
- Continue to build the resources on the Tomorrow's Engineers website and encourage more organisations to benefit from them.

How did we do?

- We continued to grow content on the Neon platform with 37 primary and 77 secondary experiences. We worked to strengthen the number of teachers accessing the platform

through a targeted recruitment campaign with a total of 27,000 visits to the site, and 1,740 new registered users over the past year.

- The Tomorrow's Engineers Code grew to a community of over 200 organisations collectively working to improve engineering outreach and inspire more and more diverse young people into engineering careers. We carried out the first annual check-in with 73% of respondents saying that being a Signatory had helped them improve in 3 or more areas. In response to requests to support collaboration, we started building Code Connect a system that lets signatories search, find and connect with each other. We also ran six webinars and the first TE Live event in July 2022 that brought the 133 members of the Code Community together for the first time in person to network, join in discussions and panel sessions, and share their experience with peers.
- We continued to build the resources on the Tomorrow's Engineers website providing a single source of information and guidance for organisations wishing to improve their engineering inspiration activities and encourage more organisations to benefit from them with over 23,742 users and 39 publications.

Plans for 2022-23

1: Increasing reach and inspiration - reaching more, and more diverse, young people with inspiring messages about careers in engineering

- Deliver the Big Bang Fair, Competition and at School programme with an increase in numbers and a new low-cost self-service model for schools.
- Continue to deliver Robotics Challenge and test the impact of a new 'taster workshop' intended to widen participation in the full programme.
- Develop and deliver a third iteration of Energy Quest workshops and share evidence of impact with the wider STEM community.
- Scoping what an effective package of engagement for young people over multiple years looks like and how we would evaluate it.

2: Developing and sharing insight - being the recognised and trusted voice on the pathways to engineering, related enablers and blockers for young people and good practice for engagement activities

- Create and publish an educational pathways research report on higher education, data tables and a summary briefing of trends.
- Conduct a review of apprenticeships in engineering and manufacturing.
- Commission the Science Education Tracker in partnership with the Royal Society and with funding from Wellcome.

3: Growing collective impact - simplifying the landscape and enabling partnerships and collaborations to inspire more, and more diverse, young people into engineering.

- Increasing the number of unique visitors who use the Neon platform targeting teachers from schools that meet our EDI criteria.
- Recruit more Signatories to The Code and enable greater collaboration through a series of events and improved information sharing, including through the launch of Code Connect and delivery of an in-person conference.
- Continue to build the resources on the Tomorrow's Engineers website and encourage more organisations to benefit from them.

4. Prepare for the delivery of the 2023-28 strategy

As our current strategy period is ending, we are in the final stages of consultation before sign-off of our strategy for 2023-28. We will be sharing the strategy early in the new year.

Our work is delivered in line with our values

- Insightful - Everything we do is based on clear and up-to-date evidence, gained by listening to and learning from our community. We are open and honest with our insights and use them to inspire young people into engineering.
- Passionate - We are passionate about inspiring a new generation of engineers and making a positive difference to young people's lives.
- Courageous - We are courageous, edgy and dynamic in the development, piloting and promotion of ideas and activities which can help us all to inspire tomorrow's engineers and increase the talent pipeline for engineering.
- Inclusive - We work with others to maximise collective impact. We value diversity and we target our promotion of science, technology, engineering and maths (STEM) to encourage a more diverse engineering community.

Financial Review

As can be seen in Chart below, most of EngineeringUK's income is derived from the registration fees of Chartered Engineers and Technicians. The fees are passed to us by Professional Engineering Institutions and shared with the Engineering Council, the organisation that keeps the standards under review, operates the register and quality assures the Institutions. This income is complimented by ongoing support from 34 Corporate Members. The PEIs and Corporate Members help shape our work through regular interaction and representation on our Board and these funding streams enable us to deliver our core work, innovate and develop new programmes, and subsidise programmes that are also supported by other funders.

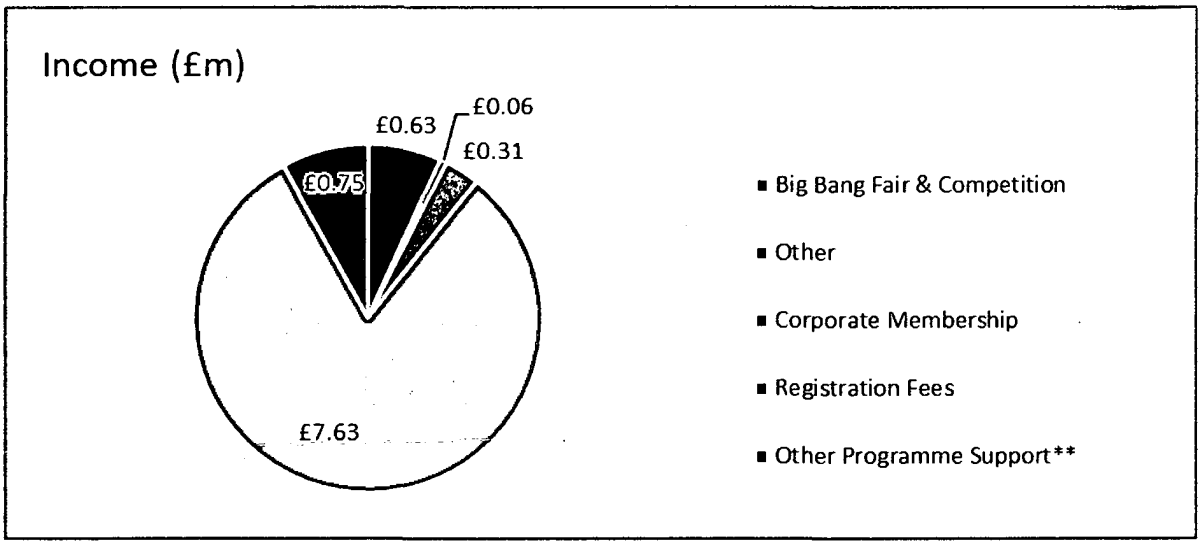
Aside from the fees raised through the PEIs, over the 2021/22 financial year, a total of 70 funders (including our Corporate Members) supported our work, many of these gave small amounts to participate in the Big Bang programme, but others contributed larger amounts:

- 13 funders contributed £15-50k (Anglo American, Atkins UK, Environment Agency, Health Education England (NHS), HS2 Ltd, IET, Leonardo UK, National Grid, National Highways, RS Components, Siemens Plc, Thales UK, Unboxed)
- 6 funders contributed £50-200k (British Army Land Forces, Gatsby Charitable Foundation, Helsington Foundation, Network Rail, The Royal Air Force, Rolls-Royce)
- 1 funder contributed above £200k (Shell) with most of this funding supporting Energy Quest.

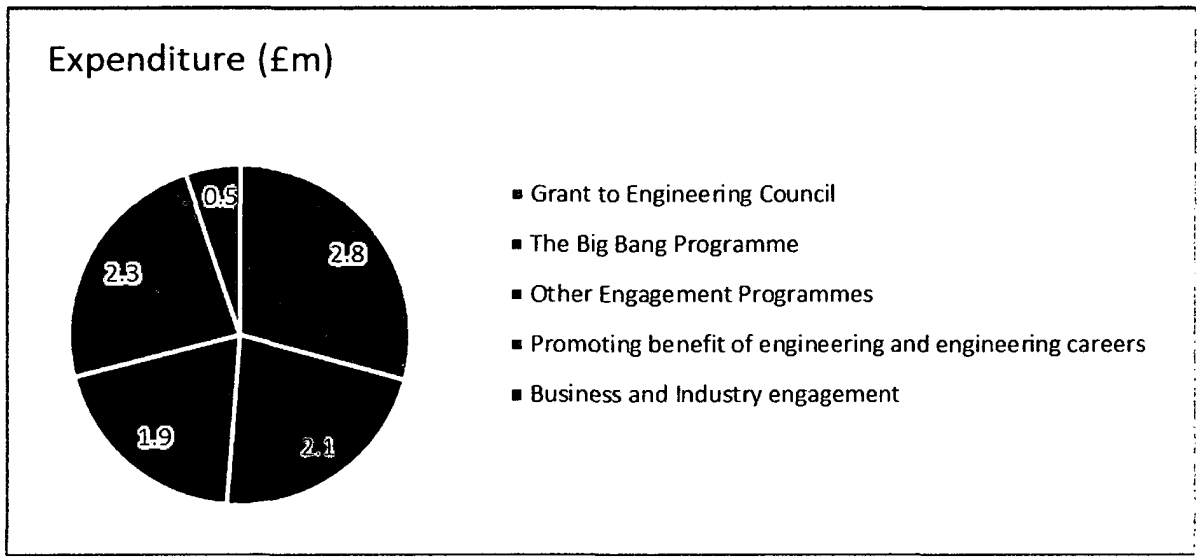
The figures for 2021/22 are affected by the ongoing impacts of the pandemic, particularly returning to delivery of face-to-face engagement programmes. Demand for, and uptake of, direct engagement activities by schools has not returned to pre-pandemic levels.

Our largest programme is the Big Bang which in 2021/22, comprised the Big Bang Fair and related digital content, the Big Bang Competition, and Big Bang at School events. EngineeringUK has subsidised these events since their inception. Fundraising for the face-to-face Big Bang Fair has been more challenging in the current climate with conditions exacerbated by the need to re-engage our existing support base and attract new funders after a 3-year gap since the last Fair. The *net* cost for the 12-month period is £0.9M and the 2021/22 revenue generated from sponsorship and fundraising for the Big Bang Programme was £0.6M.

Considering the fundraising challenges during the year, efforts were made where possible to minimize expenditure and seek efficiency savings across many programmes. The deficit for the year is reduced by the release of £250k previously ringfenced for the Engineering Council Pension Scheme to a designated reserve. A provision of £0.2m for any dilapidation costs remains from our former premises in the Woolgate Exchange and our current premises on Lower Thames Street.



**Other Programme Support refers to income raised for other programmes including Robotics Challenge, Energy Quest, EDI bursaries, and the Tomorrow's Engineers Code



*Other Engagement Programmes comprises Robotics Challenge, Energy Quest and EDI bursaries

Balance Sheet and cash flow

Group reserves and net assets decreased during the year by £0.4M (following a £0.3M increase in 2020/21). Total funds at 31 August 2022 were £3.5M, of which none was restricted and £0.9M was designated leaving free reserves of £2.6M. Group cash decreased by £0.3m to £4.9m, while the value of investments decreased by £0.2m to £1.6m.

Investment policy

There are no restrictions on the Charity's power to invest, and the investment return required by our Investment Policy is that we should achieve inflation (CPI) +4% over the long term (5+ years). Performance has been 19.3%, ahead of the benchmark of 13.8% over 3 years to the end of August 2022 (the fund has not yet been managed for 5 years). Investments are allocated to specific funds within agreed asset allocation ranges, and their performance is regularly reviewed against appropriate benchmarks.

Subsidiaries

EngineeringUK has a limited company, Scenta Limited as a subsidiary. The purpose of the company is to provide partner related services. EngineeringUK also has the Big Bang Education Community Interest Company as a subsidiary to deal with all arrangements and transactions related to the Big Bang Programme.

Reserves policy

EngineeringUK maintains reserves for the following reasons:

- EngineeringUK has multiple income streams with varying degrees of volatility. Reserves are held for contingency purposes.
- Investment balances are vulnerable to market conditions.
- EngineeringUK is a participating employer of the Engineering Council Pension Scheme. In the remote circumstances that Engineering Council was unable to meet its obligations and liabilities relating to the Scheme, the obligation would move to EngineeringUK.
- Reserves allow potential "step change" in programmes aimed to maximise impact for beneficiaries.

The Board agreed to set up two designated funds during the year. A Pension Fund reserve and an Infrastructure fund. The Pension Fund reserve is to set aside funds to support the closure of an historic defined benefit pension scheme through to buyout. The infrastructure fund is to enable EUK to undertake one-off larger projects unaffordable during a normal budget cycle. This could include items such as a new website, IT project, office works or to pilot a new engagement project.

The Board has determined that the company should have between £1.5M and £2.5M in "free" reserves as represented by the General Fund. Increased economic uncertainty is mitigated by holding reserves of £3.5M. £0.9M has been set aside into designated funds leaving £2.6M of free reserves, which is still above the reserve policy range. This also enabled us to take the risk associated with planning for the face-to-face Big Bang Fair in the summer of 2022.

The reserves position is set out below:

£000	31 August 2022	31 August 2021
General Fund	2,644	3,544
Designated Funds:		
Pension Fund	250	
Fixed Assets Fund	332	364
Infrastructure Fund	300	
Total Designated Funds	882	364
Total Funds	**3,526**	**3,908**

Risk management, principal risks and uncertainties

A Risk Management Policy is in place that sets out how EngineeringUK views, identifies, assesses and manages risk through its Risk Registers. EngineeringUK's approach is to minimise exposure to reputational, compliance and financial risk, while accepting that a certain level of risk has to be taken to achieve its strategic objectives. Acceptance of risk is

subject to ensuring that risks and potential benefits are fully considered and understood before activities are undertaken and that sensible measures are in place to mitigate risk.

At the end of 2022, the risk appetite as set below, was being reviewed by the Audit, Risk and Investment Committee. The outcome is likely to involve the acceptance of additional risk, especially related to our goal of being innovative in our programmes, given the sector as a whole has not achieved the necessary increase in engineering and technician numbers despite many years of effort.

Engineering UK's risk appetite at 30 August 2022, which varies with the area of activity, is as follows:

- We are risk averse, that is, avoid risk and uncertainty, in the areas of: Health & Safety, Safeguarding, Compliance & Governance, Cyber Security, Reputation and People and Culture.
- We take a cautious approach, that is, we prefer safe options that have a low degree of residual risk, in the areas of: Impact, Financial Sustainability, and Programme Delivery.
- We have an open approach, that is, we are willing to consider all potential options and choose one that is most likely to result in successful delivery, despite the potential for some degree of risk, in the areas of Collaboration and Influencing.
- We are eager to innovate and to choose options offering potentially higher reward, despite greater inherent risk in the area of Programme Innovation.

A Corporate Risk Register identifies risks that could have an impact on the company's ability to deliver its strategic objectives. It is reviewed by the Executive Team at monthly meetings, the Audit, Risk and Investment Committee at least three times a year, and the Board once a year. Programme Risk Registers are maintained that reflect risks across various projects, which are escalated to the Corporate Risk Register if significant.

The most significant risks faced by EngineeringUK are identified as follows:

- Fewer young people engage
- Loss of long-established funding for school workshops reduces EUK impact and credibility
- Mismatch between EUK fundraising income and needs
- Safeguarding incident involving children or vulnerable adults.

Statement of trustees' responsibilities

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

Company law requires the trustees to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the group and the parent charity and of the incoming resources and application of resources, including the net income or expenditure, of the group for the year. In preparing these financial statements the trustees are required to:

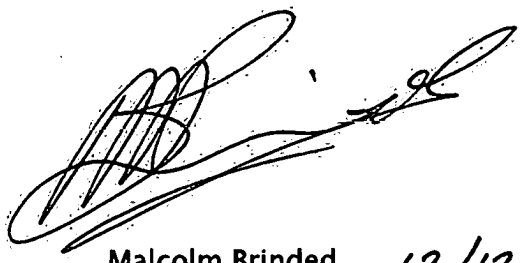
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures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

The trustees are responsible for keeping accounting records that disclose with reasonable accuracy at any time the financial position of the group and the parent charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements and other information included in annual reports may differ from legislation in other jurisdictions.

Information to Auditor

Each of the directors has confirmed that so far as they are aware, there is no relevant audit information of which the company's auditor is not aware, and that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.



Malcolm Brinded 12/12/22
Chairman

Approved by the Board on 12 December 2022 and signed on its behalf

In approving this report, the directors approve the Trustees' Report for charity law purpose and the Directors' Report and Strategic Report for company law purposes.

Independent auditor's report to the members of The Engineering and Technology Board

Opinion

We have audited the financial statements of The Engineering and Technology Board (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 August 2022 which comprise the consolidated statement of financial activities, the group and parent charitable company balance sheets, the consolidated 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 FRS 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 group's and of the parent charitable company's affairs as at 31 August 2022 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulation 2006 (as amended)

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 group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

on The Engineering and Technology Board's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other Information

The other information comprises the information included in the trustees' annual report, including the strategic report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- The information given in the trustees' annual report, including the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements
- The trustees' annual report, including the strategic report, has been prepared in accordance with applicable legal requirements

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report, including the strategic report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

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

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

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

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

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management and the audit and risk committee, which included obtaining and reviewing supporting documentation, concerning the group's policies and procedures relating to:
  - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
  - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the group operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the group from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

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 is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Judith Miller (Senior statutory auditor)
27 January 2023
for and on behalf of Sayer Vincent LLP, Statutory Auditor
Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

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

Consolidated Statement of Financial Activities (incorporating an Income and Expenditure Account) for the year ended 31 August 2022

	Note	Unrestricted Funds £000	Restricted Funds £000	Year ended 31 August 2022 Total Funds £000	Unrestricted Funds £000	Restricted Funds £000	Year ended 31 August 2021* Total Funds £000
Income and endowments from:							
Charitable activities	2	8,478	829	**9,307**	8,108	729	8,837
Other trading activities	3	-	-	**-**	2	-	2
Investments	5	35	-	**35**	32	-	32
Total		8,513	829	**9,342**	8,142	729	8,871
Expenditure on:							
Grants payable in furtherance of the charity's objects	10	2,796	-	**2,796**	2,745	-	2,745
The Big Bang Programme		2,026	75	**2,101**	1,603	95	1,698
Other programmes		1,142	754	**1,896**	1,284	634	1,918
Promoting the benefit of engineering and engineering careers		2,269	-	**2,269**	2,134	-	2,134
Business and Industry engagement		498	-	**498**	397	-	397
Charitable activities		8,731	829	9,560	8,163	729	8,892
Total	6	8,731	829	**9,560**	8,163	729	8,892
Total income less expenditure excluding investment gains/(losses)		(218)	-	**(218)**	(21)	-	(21)
Net (loss)/ gains on investments	11	(164)	-	**(164)**	277	-	277
Net movement in funds		(382)	-	**(382)**	256	-	256
Reconciliation of funds:							
Total funds brought forward		3,908	-	**3,908**	3,652	-	3,652
Total funds carried forward	19	3,526	-	**3,526**	3,908	-	3,908

All transactions arose from continuing activities.

All gains and losses are included above.

Movements in funds are disclosed in note 19a to the financial statements.

* The allocation of expenditure between charitable activities has been restated for the year ended 31 August 2021. Details are disclosed in note 6b.

Consolidated and Company Balance Sheets as at 31 August 2022

	Note	Group 31 August 2022 £000	Group 31 August 2021 £000	Company 31 August 2022 £000	Company 31 August 2021 £000
Fixed Assets					
Intangible assets	12	**48**	60	**48**	60
Tangible assets	13	**285**	305	**285**	305
Investments	11	**1,586**	1,750	**1,586**	1,750
		1,919	2,115	**1,919**	2,115
Current Assets					
Debtors and prepayments	15	**1,476**	1,379	**1,287**	1,328
Deposits and cash		**4,875**	5,189	**4,829**	4,968
		6,351	6,568	**6,116**	6,296
Current Liabilities					
Amounts falling due within one year					
Creditors	16	**(1,344)**	(1,324)	**(1,181)**	(1,241)
Income in advance	17	**(3,400)**	(3,451)	**(3,328)**	(3,262)
		(4,744)	(4,775)	**(4,509)**	(4,503)
Net Current Assets		**1,607**	1,793	**1,607**	1,793
Total Net Assets		**3,526**	3,908	**3,526**	3,908
Unrestricted funds					
General		**2,644**	3,544	**2,644**	3,544
Designated		**882**	364	**882**	364
Total unrestricted funds	19	**3,526**	3,908	**3,526**	3,908
Total funds		**3,526**	3,908	**3,526**	3,908

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 12 December 2022

Malcolm Brinded
Chairman of the Board
12/12/22

Rachel White
Chair of the Audit Committee
21/01/23

Consolidated Cash Flow Statement for the year ended 31 August 2022

CONSOLIDATED CASH FLOW STATEMENT	Note	Year ended 31 August 2022 £000	Year ended 31 August 2021 £000
Cash flows from operating activities:			
Net cash (used in)/ provided by operating activities		**(316)**	596
Cash flows from investing activities:			
Dividends and interest	5	**35**	32
Purchase of property, plant and equipment and intangibles		**(33)**	(16)
Net cash provided by investing activities		**2**	16
Change in cash and cash equivalents in the year		**(314)**	612
Cash and cash equivalents at 1 September		**5,189**	4,577
Cash and cash equivalents at 31 August		**4,875**	5,189

RECONCILIATION OF NET INCOME / (EXPENDITURE) TO NET CASH PROVIDED BY OPERATING ACTIVITIES	Year ended 31 August 2022 £000	Year ended 31 August 2021 £000
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	**(382)**	256
Adjustments for:		
Depreciation and amortisation charges	**65**	66
Loss/ (Gain) on investments	**164**	(277)
Dividends and interest	**(35)**	(32)
(Increase) / Decrease in debtors	**(97)**	445
Increase in creditors	**20**	260
(Decrease) in income in advance	**(51)**	(122)
Net cash provided by operating activities	**(316)**	596

Notes to the financial statements for the year ended 31 August 2022

1. STATEMENT OF ACCOUNTING POLICIES

1.1 Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) - (Charities SORP (FRS102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

EngineeringUK meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historic cost or transaction value with the exception of investments which are included at market value.

The company holds no complex financial instruments nor are there any areas of material estimation uncertainly affecting the accounts.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

1.2 Company status

The charity is a company limited by guarantee. The members of the company are defined in the Memorandum and Articles of Association. In the event of the charity being wound up the liability in respect of the guarantee is limited to £1 per member of the charity.

1.3 Group financial statements

These financial statements consolidate the results of the charitable company, Scenta Limited and Big Bang Education CIC on a line-by line basis. A separate Statement of Financial Activities and Income and Expenditure Account for the charity has not presented because advantage has been taken of exemptions afforded by section 408 of the Companies Act 2006.

In applying the financial reporting framework, the trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The nature of the estimation means the actual outcomes could differ from those estimates. Any significant estimates and judgements affecting these financial statements are detailed within the relevant accounting policy below.

1.4 Going concern

At 31 August 2022 EngineeringUK holds free reserves of £3.2m. The trustees consider this to be sufficient to manage the increased economic uncertainty in 2022/23 due to the pandemic. The trustees consider there to be no material uncertainties about the charity's ability to continue as a going concern for at least a year to November 2023.

1.5 Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income from Registration fees is accounted for on an accruals basis. Fees are received from institutions, throughout the year, by instalments at an agreed level. At year end an estimate is made of any underpayment or overpayment and of fees due. These amounts are shown under the income and income in advance notes. Income from grants is recognised when income from the grant is due. Where the grant relates to performance and specific deliverables it is accounted for as the charity earns the right to consideration by its performance. Sponsorship and other income received from industry is accounted for on an accruals basis.

1. STATEMENT OF ACCOUNTING POLICIES - continued

1.6 Investment Income

Investment income and interest received from bank deposits and gilt-edged securities are accounted for on an accruals basis. Dividends from equity investments are accounted for on a receivable basis. Investments are included in the Balance Sheet at market value. Realised and unrealised gains and losses are included in the Statement of Financial Activities.

1.7 Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with use of resources.

Other allocated costs have been apportioned against staff numbers. Governance costs include specifically identified costs of governance that arose during the year plus 30% of the Chairman, Chief Executive and Finance Team costs. All other costs are considered to be costs to further EngineeringUK's charitable activities.

1.8 Grants payable

Grants are recognised in the financial statements when an obligation to pay the grant occurs. Where grants are subject to performance conditions the obligation is recognised when the conditions are met, or when there is an expectation that the grant will be paid. Grants that are potentially payable in future years, but do not meet the above criteria for immediate recognition are recognised in the designated fund.

1.9 Pension Costs

The Group is a participating employer in The Engineering Council Pension Scheme. This is a contracted-out defined benefit pension scheme for those employees transferred from Engineering Council which requires contributions to be made to a separately administered fund. Contributions to this fund are charged in the Statement of Financial Activities (SOFA) so as to spread the cost of pensions over the employees' working lives within the Group. The regular cost is attributed to individual years using the projected unit method.

The scheme was closed to new members in February 2002 and in April 2012 the scheme ceased to accrue benefits for remaining members. EngineeringUK is a participating employer in the scheme and therefore has a liability to the scheme. A full actuarial valuation of the fund is carried out every three years by The Engineering Council Pension Scheme actuary, with annual actuarial reports in the interim years. A share of liabilities are reflected in the Balance Sheet if there are net liabilities in the scheme at the date of the latest valuation.

The Group also contributes to a defined contribution pension scheme for staff who are not in the defined benefit scheme. The employer contributes 10% of basic salary and the employee 5%. Contributions to these arrangements are charged to the SOFA in the period in which they are due.

1.10 Tangible Fixed Assets and Depreciation

Tangible fixed assets, individually or in aggregate, costing more than £1,000 are capitalised and included at cost including any incidental expenses on acquisition.

Depreciation is provided on all tangible fixed assets at rates calculated to write off their cost evenly over their expected useful lives as follows:

Computer and office equipment	- 3 to 5 years
Fixtures and fittings	- 2 to 5 years or the remainder of property lease
Computer software	- 3 years

1. STATEMENT OF ACCOUNTING POLICIES - continued

1.11 Intangible Fixed Assets and Amortisation

Acquired intangible fixed assets costing more than £1,000 are capitalised and included at cost.

Intangible fixed assets are amortised at rates calculated to write off the assets on a straight line basis over their estimated useful economic lives. Impairment of intangible assets is reviewed where circumstances indicate that the carrying value of an asset may not be fully recoverable.

1.12 Operating Leases

Rentals applicable to operating leases are charged to the SOFA over the period in which the cost is incurred.

1.13 Value Added Tax

Irrecoverable VAT input charges have been included in the expenditure areas to which they relate.

1.14 Funds

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

1.15 Financial instruments

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

1.16 Investments

Listed investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. Any change in fair value will be recognised in the statement of financial activities. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading "Net gains/(losses) on investments" in the statement of financial activities. The charity does not acquire put options, derivatives or other complex financial instruments.

Investments in subsidiaries

Investments in subsidiaries are at cost.

1.17 Debtors

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

1.18 Cash at bank and in hand

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

1.19 Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

2. INCOME FROM CHARITABLE ACTIVITIES

	Year ended 31 August 2022			Year ended 31 August 2021		
	Unrestricted	Restricted	**Total**	Unrestricted	Restricted	Total
	£000	£000	**£000**	£000	£000	£000
EC Registration fees	7,631	-	**7,631**	7,381	-	7,381
Corporate and Network Member fees	285	-	**285**	277	-	277
Sponsorship and Grants for projects	540	829	**1,369**	445	729	1,174
Other income	22	-	**22**	5	-	5
	8,478	829	**9,307**	8,108	729	8,837

3. NET INCOME FROM TRADING ACTIVITIES - SCENTA LIMITED

Scenta Limited acts as the trading subsidiary of EngineeringUK. The entity is dormant in 2021/22. The principal activity was provision of sundry services and commission from financial products. The Directors of Scenta Limited are made up of key management personnel of EngineeringUK. The trading subsidiary passes all profits to EngineeringUK as Gift Aid. Its profit and loss account is summarised below:

	Year ended 31 August 2022	Year ended 31 August 2021
	£000	£000
Turnover	-	2
Cost of Sales and Administration Charge from EngineeringUK	-	(5)
Gross Profit	-	(3)
Other Administration Costs	-	3
Gift Aid payment	-	(34)
Profit Before Taxation	-	(34)
Taxation	-	-
Profit after taxation	-	(34)
Income included by EngineeringUK (company)		
Gift Aid payment	-	34
Cost of Sales and Administration Charge exclusive of VAT	-	5
	-	39

4. BIG BANG EDUCATION CIC

Big Bang Education CIC is a wholly owned subsidiary of EngineeringUK. Big Bang Education CIC was set up to deliver the Big Bang National Fair and now incorporates the Big Bang Competition and from 1 September 2018, the Big Bang Near Me fairs. Trustees Terrance Fuller, Nigel Fine and Sarah Spurgeon, the CEO of EngineeringUK are also directors of Big Bang Education CIC, the results of Big Bang Education are consolidated into The Big Bang Programme line in note 6.

	Year ended 31 August 2022	Year ended 31 August 2021
	£000	£000
Turnover (External)	**615**	540
Contribution from EngineeringUK	**902**	544
Cost of Sales	**(1,142)**	(714)
Gross Profit	**375**	370
Administration Costs	**(375)**	(370)
Profit Before Taxation	-	-
Taxation	-	-
Profit after taxation	-	-

5. INVESTMENT INCOME

	Year ended 31 August 2022	Year ended 31 August 2021
	£000	£000
Bank Interest Receivable	-	-
Other Investment Income	**35**	32
Total Investment Income	**35**	32

The investment income arises from investments in UK investment funds.

6a. CHARITABLE EXPENDITURE (Current year)

Analysis of expenditure on charitable activities

	Activities undertaken directly	Grant funding of activities	Direct staff costs	Support costs	Total costs
			Year ended 31 August 2022		
	£000	£000	£000	£000	**£000**
Grant to Engineering Council	-	2,796	-	-	**2,796**
The Big Bang Programme	1,179	-	498	424	**2,101**
Other programmes	643	2	785	466	**1,896**
Promoting benefit of engineering and engineering careers	688	-	974	607	**2,269**
Business and Industry engagement	-	-	296	202	**498**
Total expenditure on charitable activities	2,510	2,798	2,553	1,699	**9,560**
Raising funds	-	-	-	-	-
Total expenditure	2,510	2,798	2,553	1,699	**9,560**

Analysis of support costs

	The Big Bang Programme	Other programmes	Promoting benefit of engineering and engineering careers	Business and Industry engagement	**Total costs**	Basis of allocation
	£000	£000	£000	£000	**£000**	
Management	81	89	116	39	**325**	Support costs have been allocated in ratio to the average number of staff employed in each area.
Finance and HR	100	110	143	48	**401**	
Governance	92	101	132	44	**369**	
Premises and office services	135	148	193	64	**540**	
Depreciation	13	15	19	6	**53**	
Insurance	3	3	4	1	**11**	
Total	424	466	607	202	**1,699**	

Within support costs there is £1,256k of staff costs.

Promoting benefit of engineering and engineering careers: This includes non-programme related activities such as research, careers resources and corporate communications including websites.

6b. CHARITABLE EXPENDITURE (Prior year)

Analysis of expenditure on charitable activities

	Activities undertaken directly	Grant funding of activities	Direct staff costs	Support costs	Restated Total costs
	Year ended 31 August 2021				
	£000	£000	£000	£000	£000
Grant to Engineering Council	-	2,745	-	-	2,745
The Big Bang Programme	718	-	543	437	1,698
Other programmes	448	1	731	474	1,654
Promoting benefit of engineering and engineering careers	1,009	-	851	538	2,398
Business and Industry engagement	-	-	234	163	397
Total expenditure on charitable activities	2,175	2,746	2,359	1,612	8,892
Raising funds	-	-	-	-	-
Total expenditure	2,175	2,746	2,359	1,612	8,892

Analysis of support costs

	The Big Bang Programme	Other programmes	Promoting benefit of engineering and engineering careers	Business and Industry engagement	Total costs	Basis of allocation
	£000	£000	£000	£000	£000	Support costs have been allocated in ratio to the average number of staff employed in each area.
Management	73	79	90	27	269	
Finance and HR	125	136	154	47	462	
Governance	100	109	124	38	371	
Premises and office services	121	131	149	45	446	
Depreciation	14	15	17	5	51	
Insurance	4	4	4	1	13	
Total	437	474	538	163	1,612	

Within support costs there is £1,005k of staff costs.

Expenditure in 2021 has been restated to allocate £264k of direct costs from Other programmes to Promoting benefit of engineering and engineering careers. There has been no movement in the total expenditure reported in 2021.

7. NET INCOME / (EXPENDITURE) FOR THE YEAR

This is stated after charging / (crediting):

	Group		**Company**	
	Year ended 31 August 2022	Year ended 31 August 2021	**Year ended 31 August 2022**	Year ended 31 August 2021
	£000	£000	**£000**	£000
Depreciation	**53**	53	**53**	53
Operating lease rentals payable:				
Property	**201**	191	**201**	191
Auditor's remuneration:				
Audit fees	**18**	19	**14**	13
Other services	**4**	4	**4**	4

8. STAFF COSTS INCLUDING PENSIONS AND SOCIAL SECURITY COSTS

Group and parent:

The average number of persons employed by EngineeringUK during the period in the following categories was:

	Year ended 31 August 2022	Year ended 31 August 2021	**Year ended 31 August 2022**	Year ended 31 August 2021
	No (FTE)		No (Total employed)	
Executive team	**5**	4	**5**	4
Staff in direct activities	**41**	36	**42**	38
Secretarial and administrative staff	**13**	11	**15**	12
Total Staff	**59**	51	**62**	54

The actual staff employed at period end was 68 (2021: 55)

Staff Costs	**Year ended 31 August 2022**	Year ended 31 August 2021
	£000	£000
Salaries	**2,819**	2,527
Social security costs	**319**	281
Other pension costs	**400**	359
Pension costs credit	**(250)**	-
Other staff benefits	**62**	56
Temporary and agency staff	**3**	54
Termination and redundancy payments	**-**	23
Recruitment, training, travel and other expenses	**205**	81
	3,558	3,381

The £250k pension credit is an accounting adjustment to release the historic accrual for ringfenced funds for the Engineering Council pension scheme, in order to create a designated reserve instead.

Number of employees whose emoluments exceeded £60,000 for the period were as follows:

	Year ended 31 August 2022	Year ended 31 August 2021
Exceeding £60,000 but not exceeding £70,000	**5**	5
Exceeding £70,000 but not exceeding £80,000	**0**	1
Exceeding £90,000 but not exceeding £100,000	**1**	0
Exceeding £100,000 but not exceeding £110,000	**1**	1
Exceeding £110,000 but not exceeding £120,000	**1**	0
Exceeding £120,000 but not exceeding £130,000	**1**	0
Exceeding £130,000 but not exceeding £140,000	**0**	1
Exceeding £140,000 but not exceeding £150,000	**0**	1
Exceeding £170,000 but not exceeding £180,000	**1**	0
Exceeding £180,000 but not exceeding £190,000	**0**	1

EngineeringUK has provision in the Company's Memorandum of Association and approval from the Charity Commission to remunerate the Chair for their duties. The Chair has waived his remuneration. No other trustee received any emoluments during the year.

The total employer contributions during the period to the defined contribution pension schemes relating to the higher paid staff above was £142,119 for 10 employees (2021: £78,302 for 8 employees). None of the higher paid employees above was a member of the Engineering Council Pension Scheme, a defined benefit scheme.

The Chief Executive who served during the year is not a director of the company or a trustee.

8. STAFF COSTS INCLUDING PENSIONS AND SOCIAL SECURITY COSTS - continued

Key Management Personnel

The Key Management Personnel comprises the executive management team and is made up of the following positions within the organisation:

Chief Executive
Director of Business & Industry
Director of Communications
Director of Finance and Corporate services
Director of Engagement Projects

The total remuneration, benefits and pensions paid to them in the year was:

	Year ended 31 August 2022	Year ended 31 August 2021
	£000	£000
Salaries	**592**	590
Staff benefits	**54**	57
Pension costs	**59**	59
Employer NI	**73**	75
	778	781

9. RELATED PARTY TRANSACTIONS

Engineering Council

Engineering Council (EC) is a related party to EngineeringUK. Under its supplemental charter of the 22 March 2002, EngineeringUK may appoint 7 of its 22 Board members. By its Regulations, EC has assigned all income from its registration fees to EngineeringUK. Changes to this regulation cannot be made without EngineeringUK's approval. The level of fee is determined by EngineeringUK. During the period ended 31 August 2022 the following transactions took place:

1. EC assigned all income derived from Registration fees, £7.6 million (2021: £7.3 million), to EngineeringUK.
2. EngineeringUK provided a grant to EC of £2.8 million (2021: £2.7 million) to fund its operations.
3. EngineeringUK and EC occupied the same floor at Lower Thames Street for the year. The lease is jointly held. Where possible each party paid directly for its own costs.
4. At 31 August 2022 EC owed EngineeringUK £77k (2021: EngineeringUK owed EC £15k) relating to office service charges.

Trustees

Jacqui Ferguson is a trustee of EngineeringUK and also a Director of Wood Plc which is a corporate member of EngineeringUK under normal business terms. At 31 August 2022 there were nil amounts outstanding to EngineeringUK from Wood Plc (2021: £nil).

Carl Ennis is a trustee of EngineeringUK and also CEO of Siemens Plc which is a corporate member of EngineeringUK as well as a corporate sponsor of the Big Bang Fair under normal business terms. At 31 August 2022 there was £9,600 outstanding to Big Bang Education CIC from Siemens Plc (2021: £nil).

Malcom Brinded, the Chair of Trustees, made a £450 donation, excluding gift aid received of £113, during the year. The donation is a contribution towards trustee meeting costs.

All related party transactions were on normal commercial terms.

9. RELATED PARTY TRANSACTIONS - continued

Expenses reimbursed to and paid on behalf of trustees

Expenses were reimbursed to or paid on behalf of Trustees during the year as follows:

	Year ended 31 August 2022	Year ended 31 August 2021
	£	£
Travel and subsistence	913	-
Number of Trustees reimbursed for expenses or who had expenses paid on their behalf	4	-

10. GRANTS PAID

	Year ended 31 August 2022	Year ended 31 August 2021
	£000	£000
Engineering Council	**2,796**	2,745

11. FIXED ASSET INVESTMENTS (OF THE COMPANY AND GROUP)

	31 August 2022	31 August 2021
	£000	£000
Market value at start of period	**1,750**	1,473
Realised/unrealised gain for the period	**(164)**	277
Market value at 31 August	**1,586**	1,750
Historical cost at 31 August	**1,389**	1,000

12. INTANGIBLE FIXED ASSETS (OF THE COMPANY AND GROUP)

	Licence
Cost	£000
Brought forward 1 September	124
Acquisitions during period	-
Carried forward 31 August	124
Amortisation	
Brought forward 1 September	64
Charge for period	12
Carried forward 31 August	76
Net Book Value	
31 August 2022	48
31 August 2021	60

All assets are used by the charity for its own purposes. Scenta Limited & Big Bang Education CIC have no intangible fixed assets.

13. TANGIBLE FIXED ASSETS (OF THE COMPANY AND GROUP)

	Computer & office equipment	Refurbishment	**Total**
	£000	£000	**£000**
Cost			
Brought forward 1 September	267	549	**816**
Acquisitions during period	33	-	**33**
Disposals during period	-	-	**-**
Carried forward 31 August	300	549	**849**
Depreciation			
Brought forward 1 September	249	262	**511**
Charge for Period	20	33	**53**
Disposals during period	-	-	**-**
Carried forward 31 August	269	295	**564**
Net Book Value			
31 August 2022	31	254	**285**
31 August 2021	18	287	**305**

All assets are used by the charity for its own purposes. Scenta Limited & Big Bang Education CIC have no fixed assets.

14. INVESTMENT IN SUBSIDIARY COMPANIES

EngineeringUK holds 100% of the issued share capital of Scenta Limited of 1 ordinary share of £1. It also owns Big Bang Education CIC, a company limited by guarantee, with a guarantee of £1.

15. DEBTORS AND PREPAYMENTS

	Group		Company	
	31 August 2022	31 August 2021	**31 August 2022**	31 August 2021
	£000	£000	**£000**	£000
Owed from Big Bang Education CIC	**-**	-	**-**	122
Other debtors	**447**	410	**298**	237
Registration fees due	**919**	905	**919**	905
Prepayments and accrued income	**110**	64	**70**	64
	1,476	1,379	**1,287**	1,328

Registration Fees Due represent fees yet to be paid over by Institutions for 2021/22. The fees are due from registrants on 1st January but, by agreement, are paid over by instalments over the year.

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	31 August 2022	31 August 2021	**31 August 2022**	31 August 2021
	£000	£000	**£000**	£000
Trade creditors	**494**	220	**352**	200
Scenta Limited	**-**	-	**10**	10
Owed by Big Bang Education CIC	**-**	-	**23**	-
Pension scheme	**42**	29	**42**	29
Taxation, including Income Tax	**96**	76	**95**	76
Accruals	**462**	795	**409**	722
Dilapidations provision	**250**	204	**250**	204
	1,344	1,324	**1,181**	1,241

17. INCOME IN ADVANCE

	Group		Company	
	31 August 2022	31 August 2021	**31 August 2022**	31 August 2021
	£000	£000	**£000**	£000
EC registration fees	**2,777**	2,890	**2,777**	2,890
Members fees received in advance	**161**	113	**161**	113
Project income in advance	**462**	448	**390**	259
	3,400	3,451	**3,328**	3,262

Movement in income in advance

	Group		Company	
	31 August 2022	31 August 2021	**31 August 2022**	31 August 2021
	£000	£000	**£000**	£000
Balance at the beginning of the year	**3,451**	3,573	**3,262**	3,346
Amount released to income in the year	**(3,373)**	(3,693)	**(3,232)**	(3,466)
Amount deferred in the year	**3,322**	3,571	**3,298**	3,382
Balance at the end of the year	**3,400**	3,451	**3,328**	3,262

Income from registration fees is accounted for on an accruals basis. The above represents income to be recognised over the remainder of the calendar year.

19a. FUNDS (current year)

Movements in the Funds during the year have been as follows:

	1 September 2021	Income for the period	Expenditure and other recognised gains/(loss)	Reserve transfers	**31 August 2022**
	£000	£000	£000	£000	**£000**
Restricted funds:					
The Big Bang Fair	-	75	(75)	-	-
Other programmes	-	754	(754)	-	-
Total restricted funds	-	829	(829)	-	-
General Fund	3,544	8,513	(8,830)	(583)	**2,644**
Designated Funds					
Fixed Assets Fund	364	-	(65)	33	**332**
Infrastructure Fund	-	-	-	300	**300**
Pension Fund	-	-	-	250	**250**
Total Designated Fund	364	-	(65)	583	**882**
Total Funds	3,908	9,342	(9,724)	-	**3,526**

There were nil restricted funds held at 31 August 2022. The fixed assets fund represents funds that have been spent on fixed assets, these fixed assets are necessary for the charity's continuing activities. The infrastructure fund is to enable EUK to undertake one-off larger projects unaffordable during a normal budget cycle. The Pension Fund reserve is to set aside funds for the Engineering Council historic defined benefit pension scheme. The General Reserve represents free funds that are not designated for particular purposes.

The Other programmes restricted fund includes activities related to Code and website, Energy Quest, and Robotics Challenge.

19b. FUNDS (prior year)

Movements in the Funds during the prior year are as follows:

	1 September 2020	Income for the period	Expenditure and other recognised gains/(loss)	Reserve transfers	Restated 31 August 2021
	£000	£000	£000	£000	£000
Restricted funds:					
The Big Bang Fair	-	95	(95)	-	-
Other programmes	-	634	(634)	-	-
Total restricted funds	-	729	(729)	-	-
General Fund	3,238	8,419	(8,097)	(16)	3,544
Designated Funds					
Fixed Assets Fund	414	-	(66)	16	364
Total Designated Fund	414	-	(66)	16	364
Total Funds	3,652	9,148	(8,892)	-	3,908

20. COMMITMENTS

Operating lease commitments payable as a lessee

The following payments will be made in respect of future minimum commitments on operating leases expiring:	Company and Group	
	31 August 2022	31 August 2021
	Land and Buildings	Land and Buildings
	£000	£000
Due within one year	**220**	220
Due within two to five years	**74**	294
Total due	**294**	514

21a. ANALYSIS OF NET ASSETS BETWEEN FUNDS (current year)

Fund balances at 31 August 2022 are represented by:	General funds £000s	Designated funds £000s	**Total £000s**
Fixed assets and investments	1,587	332	**1,919**
Current assets	5,801	550	**6,351**
Current liabilities	(4,744)	-	**(4,744)**
Total net assets	2,644	882	**3,526**

22b. ANALYSIS OF NET ASSETS BETWEEN FUNDS (prior year)

Fund balances at 31 August 2021 are represented by:	General funds £000s	Designated funds £000s	Total £000s
Fixed assets and investments	1,751	364	2,115
Current assets	6,568	-	6,568
Current liabilities	(4,775)	-	(4,775)
Total net assets	3,544	364	3,908

23. PARENT CHARITY

The parent charity's gross income and the results for the year are disclosed as follows:

	Year ended 31 August 2022	Year ended 31 August 2021
	£	£
Gross income	**8,775**	8,419
Result for the year	**(698)**	(47)

24. PENSIONS

The Engineering Council Pension Scheme

In 2002 a number of staff transferred to EngineeringUK from Engineering Council under TUPE arrangements. To accommodate this EngineeringUK became a participating employer of the Engineering Council Pension Scheme.

The company operates a pension scheme providing benefits based on final pensionable pay. The assets of the scheme are held separately from those of the company, being invested in The Engineering Council Pension Scheme. Contributions to the fund are charged to the income and expenditure account so as to spread the cost of pensions over employees' working lives with the company. On 26 February 2002 the company decided not to offer membership of the scheme to new employees. In April 2012 the scheme ceased to accrue benefits for existing members.

The Engineering Council Pension Scheme is a defined benefit scheme based on final pensionable salary. The Scheme is contracted out of the earnings related part of the State Pension Scheme. The assets of the Scheme are held in a separate trustee administered fund, currently invested with State Street Global Advisors, and the company's underlying share of assets and liabilities in the fund is not separately determined.

At 31 August there were nil (2021 - nil) members of EngineeringUK staff contributing to the Scheme. EngineeringUK employer contributions during 2021/22 were £nil (2020/2021 - £nil). Employer contributions in 2022/23 are expected to be £nil as the Scheme ceased to accrue benefits for remaining members in April 2012.

A full actuarial valuation of the fund is carried out every three years by The Engineering Council Pension Scheme actuary, with annual actuarial reports in the interim years. The last full valuation was as at 31 December 2021 within the report dated 29 April 2022. The report showed net assets of £988,000.

EngineeringUK is a participating employer in the Scheme and therefore has a liability to the scheme. The share of assets were not recognised in the Balance Sheet as they would be non-recoverable.

Stakeholder and Other Pension Schemes

EngineeringUK decided not to offer entry to the Engineering Council Pension Scheme to staff who were not already members prior to TUPE transfer and nominated a Stakeholder pension scheme. This is a defined contribution scheme operated by Scottish Widows and is not contracted out of the earnings related part of the State Pension Scheme. The employer contributes 10% of pensionable salary and the employee 5%. Employer contributions during the year were £400k (2021: £359k). These figures include contributions for the higher paid employees shown under note 8.

Governance and Management

EngineeringUK is the working name adopted by the Engineering and Technology Board. EngineeringUK is a charitable company limited by guarantee (Company No. 4322409), incorporated on 14 November 2001. The address of the principal and registered office is 5th Floor, Northern & Shell Building, 10 Lower Thames Street, London, EC3R 6EN.

Members of the Company are Directors/Trustees or members of the two Electoral Colleges - the Professional Engineering College, consisting of persons representing Professional Engineering Institutions (PEIs) licensed by Engineering Council (EC), and the Business and Industry College, consisting of persons representing industry; and such other persons who may be admitted as members by the Company at a general meeting. There are currently 76 members.

The Board of Trustees (Board) generally meet four times a year. EngineeringUK has in place a number of committees and panels to which it has formally delegated specific functions. The day to day activities are managed by the Executive Team.

The Nominations and Remuneration Committee (N&RC) has responsibility for recommending appointments to the Board of Trustees and committees.

The Audit, Risk and Investment Committee (ARIC) ensures a sound system of internal controls, risk management and accounting policies are maintained in accordance with corporate governance requirements. The committee liaises directly with the external auditors including planning for the annual audit. Areas of particular focus are discussed with the auditors and inform their plans. The committee ensures the investments of EngineeringUK are managed in accordance with the agreed policy and monitors the performance of the investment advisor. The committee reports to the Board.

The Tomorrow's Engineers Code Advisory Board (TEC) had its first meeting on 28 September 2020. It was approved as an advisory committee to the Board on 7 October 2020 and makes recommendations to the Board on matters relating to the Code that have material implications for EngineeringUK resourcing or that have material impact on EngineeringUK's wider activities.

Remuneration Policy

EngineeringUK is committed to paying staff fairly at an appropriate level to attract and retain people with the right skills and experience to ensure that the organisation delivers its charitable objectives and execute the strategy set by the Board.

Total staff salary budgets and the specific contracts and remuneration of the Chief Executive and Executive Team are delegated to the N&RC which reports directly to the Board.

Trustee Recruitment, Appointment and Induction

Arrangements for all trustee appointments are overseen by the N&RC whose recommendations are referred to the Board for approval. The Chairman of the Board is recruited through an open and competitive process. The Chairman of the Engineering Council is an ex officio member of the Board and appointed through a process specified by the Engineering Council. The Institution of Engineering and Technology (IET), the Institution of Civil Engineers (ICE) and the Institution of Mechanical Engineers (IMechE), being the three largest PEIs, and the Royal Academy of Engineering have nominated their Chief Executives to sit on the Board. Members of each of the two electoral colleges

elect two persons for nomination from amongst their number. Appointment of other Board members is through selection to meet the needs of the Board.

New trustees are provided with a Trustee Induction Pack that includes details of their legal responsibilities under charity and company law, the Memorandum and Articles of Association, Board Regulations, operational and financial information and recent Board minutes. They are also introduced to and briefed by senior staff. On appointment Trustees are asked to agree and sign EngineeringUK's Trustees Code of Conduct, based on the core values of EngineeringUK and the Nolan Principles – Seven Principles of Public Life.

Members of Board and Trustees The trustees serving during the year and since the year end were:	**Method of Appointment**	**Committee Membership**
Malcolm Brinded (Chair)	Board	N&RC
Alice Bunn	IMechE	N&RC, TEC
Christopher Atkin	Engineering Council	
Nicholas Baveystock	ICE	ARIC
Jacqueline Ferguson	Board	TEC N&RC (Chair)
Nigel Fine (to 30 June 2022)	IET	N&RC
Terence Fuller (to 11 July 2022 and re-elected for 2nd term to 11 July 2026)	Professional Engineering College	
Steven Rossiter (from 18 September 2021)	Board	
Erol Mustafa (from 18 September 2021)	Board	ARIC
Elaine Roberts (to 6 December 2021)	Board	N&RC
Hayaatun Sillem	RAEng	
Sarah Spurgeon (to 17 September 2021)	Board	
Rachel Stringer	Board	ARIC (Chair)
Rashada Harry	Board	
Paul Hardaker (to 31 May 2022)	Professional Engineering College	ARIC
Adenike Folayan	Business & Industry College	TEC (independent)
Carl Ennis	Business & Industry College	N&RC
Ruth Carter (from 1 June 2022)	Professional Engineering College	
Jim Smith (from 6 December 2021)	Board	
Member of Audit, Risk and Investment Committee (ARIC) Member of Nominations and Remuneration Committee (N&RC) Member of Tomorrow's Engineers Code Board (TEC)		

Executive Team

The Board delegates the day to day running of the company to the Executive Team, led by the Chief Executive. The Executive Team operates in accordance with the Strategy and Business Plan/Budget

approved by the Board. Expenditure authority limits have been set by the ARIC. Up to date financial and operational reports are presented to the Board at each of its meetings.

Members of the Executive Team are:

Dr Hilary Leevers, Chief Executive
Nicola Anson, Director of Finance and Corporate Services (until December 2021)
David Howley, Director of Finance and Corporate Services (from January 2022)
Beth Elgood, Director of Communications
John Halton, Director of Business & Industry (until March 2022)
Isabel DiVanna, Director of Business Development and Partnerships (from May 2022)
Melanie Washington, Director of Engagement Projects.

Professional Advisors

Auditor
Sayer Vincent LLP, Invicta House, 108-114 Golden Lane, London, EC1Y 0TL

Bankers
HSBC BANK plc, 165 Fleet Street, London, EC4A 2DY
Lloyds Bank, 25 Gresham Street, London, EC2V 7HN

Insurance Brokers
AON, 6 Commerce Road, Lynch Wood, Peterborough, PE2 6LR

Solicitors
Bates Wells & Braithwaite London LLP, 10 Queen Street Place, London, EC4R 1BE

Investment Advisors
Rathbone Investment Management Limited, Port of Liverpool Building, Pier Head, Liverpool L3 1NW

Pension and Staff Benefits
3sixty Financial Limited, Media House, 4 Stratford Place, London, W1C 1AT