

Charity Registration No. 1147203

Company Registration No. 07807250 (England and Wales)

**ENGINEERS IN BUSINESS FELLOWSHIP
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

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ENGINEERS IN BUSINESS FELLOWSHIP

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr P Dolan Mr D Faizani Mr J Raby Mr H von Spreckelsen Mr N Thomas Mr G A Bazire Mr D M Weston Mr S M Bonini	(Appointed 29 April 2016)
Charity number	1147203	
Company number	07807250	
Registered office	33 Ormond Crescent Hampton Middlesex TW12 2TJ	
Auditor	MHA Carpenter Box Amelia House Crescent Road Worthing West Sussex BN11 1QR	
Bankers	Barclays Bank PLC George Street Richmond TW9 1JU HSBC Oxford Steet London W1A 1EZ LLoyds TSB Bank PLC Monument Street London EC3R 8BQ	

ENGINEERS IN BUSINESS FELLOWSHIP

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ENGINEERS IN BUSINESS FELLOWSHIP

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2017

The trustees present their report and accounts for the year ended 31 March 2017.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's Memorandum and Articles of Association, the Charities Act 2011, the Companies Act 2006 and "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)" published on 16 July 2014.

Objectives and activities

The charitable objectives are:

To advance education and training for the public benefit, in particular but not exclusively by:

- (a) promoting continuing business education for those in the engineering profession to develop their skills in innovation, better management and governance;
- (b) creating and operating a charitable fund for the support of their continuing education; and by
- (c) developing a network of engineers who are, or who have been, engaged in such education in order to identify and illustrate its merits for the public benefit.

The trustees have paid due regard to guidance issued by the Charity Commission in respect of public benefit requirements in deciding what activities the charity should undertake.

Achievements and performance

To support charitable objective (a) promoting continuing business education for those in the engineering profession to develop their skills in innovation, better management and governance:

This is the third year that EIBF has run the Engineers in Business Competition which challenges engineering students to create a novel product concept that meets a need in society and demonstrates the use of engineering skills in the creative process at Nottingham University. This year, the competition was expanded to include 400 students. The aim is to encourage engineering students to consider business courses as part of their education.

Next year, this competition will be expanded to include Nottingham, Kingston, Bristol and City universities. This will expand our reach to an overall audience of 7,000 student engineers.

EIBF continues to help and guide young engineers in their careers and to support industry activities. SMF Michael Hughes MBE, co-CEO of LoopUp launched the *Silicon Valley Internship Programme (SVIP)*, an initiative to inspire entrepreneurialism in the UK in 2013. The SVIP aims to give new UK software engineering graduates the unique experience of working at a Silicon Valley start-up through a one-year internship, in the hopes that this experience will bring a little of the Silicon Valley attitude back to the entrepreneurial community in the UK. Over 63 young people have been through the programme which has grown substantially this year, with over 500 applications received each year.

Our partnership with the Royal Academy of Engineering (RAEng) continues. In addition to mentoring Engineering Leadership Advanced Award Winners, EIBF participated in the following events:

ENGINEERS IN BUSINESS FELLOWSHIP

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2017

- The Enterprise Hub was created to help bring about a step change in the success of UK-based, entrepreneurial technology businesses and the contribution they make to economic growth. Some of the UK's most successful entrepreneurs and business leaders are helping to identify and support the most promising and innovative entrepreneurs. Several Sainsbury Management Fellowship Awards (SMFs) helped with this initiative: Imoni Akpofure, Adam Bazire, Sam Cockerill, Piers Copham, David Falzani, Chris Martin, Hersh Shah, Richard Smith and Grant Wood. Adam Bazire has been part of the working group at the Enterprise Hub helping to reshape the Hub's SME offer.
- James Raby and David Falzani presented and coached at the RAEng Executive Engineers' Programme in Birmingham in September 2016. Several engineers in the programme asked to be mentored and were matched with SMFs.
- Mike Astell, Rafael Cepeda, Andrew Jones, James Raby, Chris Shepherd and David Falzani led seminars and discussions at the RAEng Engineering Leaders Scholarship (ELS) Weekend in Birmingham in October 2016.
- The Leaders in Innovation Fellowships Programme (LIF) aims to build the business skills of researchers within partner countries of the Newton Fund for entrepreneurship and commercialisation of their research. Cohorts of researchers selected on the basis of the excellence of their research and the potential of their innovation are brought to the UK to attend a residential programme at the RAEng. Each cohort receives training in entrepreneurship, time and access to expert coaches to develop their business plans and the opportunity to work in teams on a genuine challenge or opportunity faced by a UK-based technology driven organisation. The two-week training is rounded off with a final day of pitches in front of a panel of judges. In February 2017, David Falzani was one of the coaches for this programme, Andy Doe gave a masterclass presentation and Chris Shelley and Simon Bonini participated as two of the head judges for the final competition.
- Engineering Leaders Scholarship Selection Event in March 2017 - James Raby, Sam Cockerill, Richard Smith, Tony Walters, Hersh Shah, Mojgan Maramba, Mark Spence and Mike Astell supported this event. We wish to thank all of these SMFs who helped to select the new cohort of 35 Engineering Leaders Scholarship Winners.
- Phil Westcott, Director IoT Global Practice and Partnerships for IBM was a keynote speaker at Pitch@Palace 7.0 in March 2017 at Nottingham University Business School. Phil spoke about where technology will be going in the future, its impact and the opportunities it will offer us.

To support charitable objective (b) creating and operating a charitable fund for the support of their [those in the engineering profession] continuing education:

The Fundraising Committee continued to reach out to SMFs to explore ways in which all can contribute to the future of the SMF Scheme. Lord Sainsbury and the Gatsby Charitable Foundation have agreed to match all cash donations including gift aid until 2020.

By the end of this year, our pledges and donations including gift aid and matched funds reached the £2.25 million mark. This is another positive step in the road to self-sufficiency. We anticipate that the current level of scholarships will be sustainable at today's costs when the fund reaches a minimum of £10 million.

ENGINEERS IN BUSINESS FELLOWSHIP

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2017

To support charitable objective (c) developing a network of engineers who are, or who have been, engaged in such education in order to identify and illustrate its merits for the public benefit:

SMFs now live in all parts of the world and are involved in many different economic sectors. We continue to engage with our members through regular general newsletter updates via email and through Aspire newsletter, which details the latest fundraising activities and totals.

Traffic to our website from potential scholarship applicants and corporate donors continues to build, enhanced by interviews with our latest SMF scholarship awardees. These interviews and other promotional messages are pushed out through social media as well to reach the largest target audiences.

The majority of SMFs live in the United Kingdom and there is a "critical mass" that regularly attends networking events which include invited guests from industry, government and education. Engineering students and young engineers, some of whom are being mentored by SMFs are also included in these events. In addition to the annual dinner to which 160 people attended, there were three other networking events in the UK this year.

Scholarships and Grants

There were 10 scholarships totalling £300,000 awarded this year.

The awardees included eight men and two women. The business school destinations include: Kellogg (1), Wharton (1), Stanford (1), INSEAD (3) and LBS (4).

Financial review

The charity is largely dependent on income donated from its supporters, giving rise to such income of £1,414,594, exceeding 2016 levels. Of this, £174,600 was unrestricted, £333,549 restricted and £906,445 in respect of the endowment funds.

Overall, income exceeded expenditure in the year by £955,698, increasing total reserves at the year end to £1,470,930.

The Scholarship expendable endowment fund amounts to £1,454,189 as at 31 March 2017, and is being built to support the educational objectives of the charity long term.

Restricted funds represent only a small element of these reserves at year end, amounting to £37,080, and relate to overseas donations held to fund one scholarship in 2017/2018.

Reserves policy

It is the policy of the charity that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure. The trustees considers that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has not been maintained throughout the period, however we hope to build our reserves going forward.

Funds in deficit

The charity anticipated funding by the end of the year which was not received until April 2017, leading to the deficit reported on unrestricted funds. The Trustees are satisfied that this is cleared in the next financial period, and there will be no deficit reported at the end of March 2018.

Investments

The endowment funds are held in cash and in interest bearing deposit accounts split between two AAA rated UK High Street banks. It is anticipated these will be invested in higher interest 1 to 2 year term deposit accounts with similarly rated institutions during 2017/2018.

ENGINEERS IN BUSINESS FELLOWSHIP

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2017

Risks

The trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

Future Plans

To support charitable objective (a) promoting continuing business education for those in the engineering profession to develop their skills in innovation, better management and governance:

We will be expanding our Business Competition to 4 universities next year and will seek funding to expand this competition to more universities in the future.

Our activities to promote business education to young engineers will continue with the Royal Academy of Engineering. These include mentoring, participating in the Executive Engineers' Programme, helping to develop the Enterprise Hub and selecting and teaching the Engineering Leadership Scholarship Winners who are the UK's top undergraduate engineering students.

To support charitable objective (b) creating and operating a charitable fund for the support of their [those in the engineering profession] continuing education:

We sent out 2 issues of our Aspire newsletter to all SMFs, which keeps them informed of our progress and suggests ways in which they can become involved.

In November 2016 we sent a personal letter to each SMF (except those in the USA and Canada) seeking help to raise the overall target of £5 million over the next three years. A similar letter will be sent to SMFs in the USA and Canada in the New Year.

We have recently arranged a convenient online method of tax-efficient giving for SMFs living in the USA through CAF, a charitable company which manages cash donations. Now that this is in place, a similar letter will be sent to SMFs in the USA and Canada in the coming months.

Nick Laird has been speaking to potential corporate donors about a fundraising proposal which would involve helping these companies to develop their people and thus their businesses in the hope of encouraging a donation to the EIBF Endowment Fund. The offering will comprise holding a weekend seminar on the management of entrepreneurship and technology for the company's executives and providing mentoring support and internships into companies.

To support charitable objective (c) developing a network of engineers who are, or who have been, engaged in such education in order to identify and illustrate its merits for the public benefit:

We are now focussing our efforts on Sainsbury Management Fellowship Award Winners as soon as they have been awarded their scholarships (as opposed to when they graduate from business school). This early adoption has helped to encourage participation and expansion of our networking activities.

Social media has become increasingly important in publicising the achievements both corporate and entrepreneurial of the SMF network.

ENGINEERS IN BUSINESS FELLOWSHIP

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2017

Structure, governance and management

The charity is a company limited by guarantee, having no share capital. The charity was incorporated in England and Wales on 12 October 2011 and registered with the Charity Commission on 11 May 2012.

Engineers in Business Fellowship (EIBF) is also known as The Sainsbury Management Fellows' Society (SMFS) or The Sainsbury Management Fellowship (SMF).

The trustees, who are also the directors for the purpose of company law, and who served during the year were:

Mr P Dolan

Mr D Falzani

Mr J Raby

Mr H von Spreckelsen

Mr N Thomas

Mr G A Bazire

Mr D M Weston

Mr S M Bonini

(Appointed 29 April 2016)

Engineers in Business Fellowship is governed by a Board of 8 Trustees who are committed to the objects of the charity. Board member expertise includes finance, accounting, management, marketing, and information technology.

The Trustees have had due regard for the guidance on the public benefit requirement published by the Charities Commission, as required by the Charities Act 2011.

The directors of the company for the purposes of company law are also the Trustees of the charity for the purposes of charity law, and members of the company who have guaranteed to contribute £1 each to the assets of the company in the event of winding up.

All Trustees, with the exception of Mr N Thomas, are recruited from the members of Engineers in Business Fellowship and have each received a Sainsbury Management Fellowship Award, which helped them study for an MBA at a leading international business school. The awards began in 1987 and are administered by the Royal Academy of Engineering as part of their Best Programme which is sponsored by the Gatsby Charitable Foundation.

The Trustees receive no remuneration.

Auditor

MHA Carpenter Box were appointed as auditor to the charity and a resolution proposing that they be re-appointed will be put at a General Meeting.

The trustees' report was approved by the Board of Trustees.


.....
Mr J Raby

Trustee

Dated: 20th Dec '17

ENGINEERS IN BUSINESS FELLOWSHIP

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2017

The trustees, who are also the directors of Engineers In Business Fellowship for the purpose of company law, are responsible for preparing the Trustees' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare accounts for each financial year which 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 charitable company for that year.

In preparing these accounts, 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 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 accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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

ENGINEERS IN BUSINESS FELLOWSHIP

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ENGINEERS IN BUSINESS FELLOWSHIP

We have audited the accounts of Engineers In Business Fellowship for the year ended 31 March 2017 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102.

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 regulations made under that Act. 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 auditors' 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 its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of Engineers In Business Fellowship for the purposes of company law, are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the accounts

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

Opinion on accounts.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2017 and of its 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Report for the financial year for which the accounts are prepared is consistent with the accounts.

ENGINEERS IN BUSINESS FELLOWSHIP

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF ENGINEERS IN BUSINESS FELLOWSHIP

Matters on which we are required to report by exception

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

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

Other matter

In the previous accounting period the charity was audit exempt therefore the prior period financial statements were not subject to audit.

MHA Carpenter Box.

Eileen Houghton ACA FCCA DChA (Senior Statutory Auditor)
for and on behalf of MHA Carpenter Box

21st December 2017

Chartered Accountants
Statutory Auditor

Amelia House
Crescent Road
Worthing
West Sussex
BN11 1QR

ENGINEERS IN BUSINESS FELLOWSHIP

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2017

	Notes	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2017 £	Total 2016 £
Income from:						
Donations and legacies	3	174,600	333,549	906,445	1,414,594	441,451
Charitable activities	4	10,575	-	-	10,575	11,258
Investments	5	-	413	2,122	2,535	1,274
Total income		185,175	333,962	908,567	1,427,704	453,983
Expenditure on:						
Charitable activities	6	171,981	300,000	25	472,006	182,339
Net movement in funds		13,194	33,962	908,542	955,698	271,644
Fund balances at 1 April 2016		(33,533)	3,118	545,647	515,232	243,588
Fund balances at 31 March 2017		(20,339)	37,080	1,454,189	1,470,930	515,232

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

All income and expenditure derive from continuing activities.

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

ENGINEERS IN BUSINESS FELLOWSHIP

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2017

	Notes	2017 £	£	2016 £	£
Fixed assets					
Investments	12		1,422,774		506,765
Current assets					
Trade and other receivables	14	10,077		12,040	
Cash at bank and in hand		49,699		1,536	
		59,776		13,576	
Current liabilities	15	(11,620)		(5,109)	
Net current assets			48,156		8,467
Total assets less current liabilities			1,470,930		515,232
Capital funds					
Endowment funds - general			1,454,189		545,647
Income funds					
Restricted funds	17		37,080		3,118
Unrestricted funds			(20,339)		(33,533)
			1,470,930		515,232

The accounts were approved by the Trustees on 20th Dec '17

Mr J Raby
Trustee

Company Registration No. 07807250

ENGINEERS IN BUSINESS FELLOWSHIP

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2017

	Notes	2017 £	£	2016 £	£
Cash flows from operating activities					
Cash generated from operations	20		961,637		276,009
Investing activities					
Term deposits		(916,009)		(295,725)	
Interest received		2,535		1,274	
Net cash used in investing activities			(913,474)		(294,451)
Net cash used in financing activities			-		-
Net increase/(decrease) in cash and cash equivalents			48,163		(18,442)
Cash and cash equivalents at beginning of year			1,536		19,978
Cash and cash equivalents at end of year			49,699		1,536

ENGINEERS IN BUSINESS FELLOWSHIP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies

1.1 Accounting convention

These accounts have been prepared in accordance with "Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" issued on 16 July 2014, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Companies Act 2006. The charity is a Public Benefit Entity as defined by FRS 102.

The accounts are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £1.

The accounts have been prepared on the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the accounts, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the accounts.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the accounts.

Endowment funds are expendable and it is the intention that these will be transferred to restricted funds annually for grants and awards.

1.4 Incoming resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

ENGINEERS IN BUSINESS FELLOWSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies

(Continued)

1.5 Resources expended

Expenditure is recognised when incurred, and classified under the following activity headings:

Charitable activities includes governance and support costs.

Governance costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirements.

1.6 Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures, fittings & equipment	2 years, straight line
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1.7 Cash and cash equivalents

Cash and cash equivalents include cash in hand and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.8 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include other receivables and cash and bank balances, are measured at transaction price including transaction costs. As they are all classified as receivable within one year are not amortised.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the charity transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Basic financial liabilities

Basic financial liabilities, including other payables are initially recognised at transaction price. Financial liabilities classified as payable within one year are not amortised.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

ENGINEERS IN BUSINESS FELLOWSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies

(Continued)

1.9 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount 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. Actual results may differ from these estimates.

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

3 Donations and legacies

	Unrestricted funds	Restricted funds	Endowment funds general	Total 2017	Total 2016
	£	£	£	£	£
Donations and gifts	174,600	333,549	906,445	1,414,594	441,451
For the year ended 31 March 2016	<u>140,000</u>	<u>3,117</u>	<u>298,334</u>		<u>441,451</u>

4 Charitable activities

	Subscriptions	Dinner fees	Total 2017	Total 2016
	£	£	£	£
Sales within charitable activities	8,325	2,250	10,575	11,258

ENGINEERS IN BUSINESS FELLOWSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

5 Investments

	Restricted funds	Endowment funds general	Total 2017	Total 2016
	£	£	£	£
Interest receivable	413	2,122	2,535	1,274
For the year ended 31 March 2016	1	1,273		1,274

6 Charitable activities

	2017 £	2016 £
Staff costs	26,728	24,733
Other costs	85,098	109,645
	111,826	134,378
Grant funding of activities (see note 7)	300,000	-
Share of support costs (see note 8)	29,509	21,612
Share of governance costs (see note 8)	30,671	26,349
	472,006	182,339
Analysis by fund		
Unrestricted funds	171,981	
Restricted funds	300,000	
Endowment funds	25	
	472,006	
For the year ended 31 March 2016		
Unrestricted funds		182,339
		182,339

7 Grants payable

	2017 £	2016 £
Grants to institutions:		
Royal academy of engineering	300,000	-

ENGINEERS IN BUSINESS FELLOWSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

8 Support costs

	Support costs £	Governance costs £	2017 £	2016 £	Basis of allocation
Professional support	10,960	-	10,960	3,063	Direct
Staff costs	18,549	18,549	37,098	37,098	Time occupied
Audit fees	-	2,674	2,674	-	Governance
Independent examiners' fees	-	-	-	1,475	Governance
Accountancy	-	9,448	9,448	6,325	Governance
	<u>29,509</u>	<u>30,671</u>	<u>60,180</u>	<u>47,961</u>	
Analysed between					
Charitable activities	<u>29,509</u>	<u>30,671</u>	<u>60,180</u>	<u>47,961</u>	

9 Trustees

None of the trustees (or any persons connected with them) received any remuneration during the year. Two trustees (2016: 1) were reimbursed a total of £1,320 for travel and subsistence costs (2016: £983).

10 Employees

Number of employees

The average monthly number employees during the year was:

	2017 Number	2016 Number
Staff	<u>1</u>	<u>1</u>
Employment costs	2017 £	2016 £
Wages and salaries	57,666	54,671
Social security costs	3,426	4,426
Other pension costs	2,734	2,734
	<u>63,826</u>	<u>61,831</u>

There were no employees whose annual remuneration, excluding employer pension costs, was £60,000 or more.

ENGINEERS IN BUSINESS FELLOWSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

11 Property, plant and equipment

	Fixtures, fittings & equipment £
Cost	
At 1 April 2016	338
At 31 March 2017	338
Depreciation and impairment	
At 1 April 2016	338
At 31 March 2017	338
Carrying amount	
At 31 March 2017	-
At 31 March 2016	-

12 Fixed asset investments

	Other investments
Cost or valuation	
At 31 March 2017	506,765
Additions	916,009
At 31 March 2017	1,422,774
Carrying amount	
At 31 March 2017	1,422,774
At 31 March 2016	506,765

	2017 £	2016 £
Other investments comprise:		
Bank deposits	1,422,774	506,765

13 Financial instruments

	2017 £	2016 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	1,422,774	518,506

ENGINEERS IN BUSINESS FELLOWSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

		(Continued)	
13	Financial instruments	2017	2016
	Carrying amount of financial liabilities		
	Measured at amortised cost	11,620	5,109
		<u>11,620</u>	<u>5,109</u>
14	Trade and other receivables		
		2017	2016
	Amounts falling due within one year:	£	£
	Other receivables	-	11,741
	Prepayments and accrued income	10,077	299
		<u>10,077</u>	<u>12,040</u>
15	Current liabilities		
		2017	2016
		£	£
	Accruals and deferred income	11,620	5,109
		<u>11,620</u>	<u>5,109</u>

16 Retirement benefit schemes

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

The charge to profit and loss in respect of defined contribution schemes was £2,734 (2016 - £2,734).

17 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds			
	Balance at 1 April 2016	Income	Expenditure	Balance at 31 March 2017
	£	£	£	£
Overseas donations	3,118	3,549	(6,667)	-
Scholarship donations	-	330,413	(293,333)	37,080
	<u>3,118</u>	<u>330,413</u>	<u>(293,333)</u>	<u>37,080</u>

The overseas donations have to be spent outside of the United States and within 16 months of receipt.

The scholarship donations have been granted towards the Sainsbury Management Fellowships (SMFs) bursary scheme.

ENGINEERS IN BUSINESS FELLOWSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

18 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total £
Fund balances at 31 March 2017 are represented by:				
Investments	-	-	1,422,774	1,422,774
Current assets/(liabilities)	(20,339)	37,080	31,415	48,156
	<u>(20,339)</u>	<u>37,080</u>	<u>1,454,189</u>	<u>1,470,930</u>

19 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2017 £	2016 £
Remuneration	<u>63,826</u>	<u>61,831</u>

20 Cash generated from operations

	2017 £	2016 £
Surplus for the year	955,698	271,644
Adjustments for:		
Investment income recognised in statement of financial activities	(2,535)	(1,274)
Movements in working capital:		
Decrease in trade and other receivables	1,963	5,639
Increase in trade and other payables	6,511	-
Cash generated from operations	<u><u>961,637</u></u>	<u><u>276,009</u></u>