

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 2019**



# ENGINEERS IN BUSINESS FELLOWSHIP

## LEGAL AND ADMINISTRATIVE INFORMATION

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Trustees	Mr P Dolan	
	Mr D Falzani	
	Mr H Von Spreckelsen	
	Mr N Thomas	
	Mr G A Bazire	
	Mr D M Weston	
	Mr S M Bonini	
	Mr M P Astell	(Appointed 4 October 2018)
	Ms I Akpofure	(Appointed 4 October 2018)
Charity number	1147203	
Company number	07807250	
Registered office	16 Western Road Lymington Hampshire SO41 9HL	
Auditor	MHA Carpenter Box Amelia House Crescent Road Worthing West Sussex BN11 1QR	

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# ENGINEERS IN BUSINESS FELLOWSHIP

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# ENGINEERS IN BUSINESS FELLOWSHIP

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

### FOR THE YEAR ENDED 31 MARCH 2019

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The trustees present their report and financial statements for the year ended 31 March 2019.

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 objective is:

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:***

Sponsoring business competitions at universities has been a key focus for us over the past several years through our Engineers in Business Competition. Our aim is to increase the number of engineering students taking a business course or participating in a business competition as part of their education. This year we rapidly expanded the number of competitions from 4 to 23 and reached a combined undergraduate audience of 116,000 students for our SMF promotional messages. In terms of results, at the 4 original universities, there was a 30-40% increase in the number of engineering participants after our involvement. As well as receiving cash prizes, and possibly being far more valuable, the winning team members are offered ongoing guidance and support from SMF mentors.

Our members, the Sainsbury Management Fellows continue to help and guide young engineers in their careers and to support industry activities. We provide mentors to anyone with an engineering background who approaches us for advice or career guidance. Many SMFs act as mentors to young engineers and engineering students. Members also lead their own initiatives. SMF Michael Hughes MBE, co-CEO of LoopUp, launched the Silicon Valley Program (SVIP) in 2012 to inspire entrepreneurialism in the UK. 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 hope that this experience will bring a little of the Silicon Valley attitude back to the entrepreneurial community in the UK. A particular focus over the past two years has been given to increasing the number of women joining the programme. This year SVIP received over 800 completed applications representing 32 nationalities and over 60% of the applicants were women.

# ENGINEERS IN BUSINESS FELLOWSHIP

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

### FOR THE YEAR ENDED 31 MARCH 2019

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Our partnership with the Royal Academy of Engineering continues to grow, allowing us to interact with the brightest and best young engineers. In addition to mentoring Engineering Leaders Scholarship winners, EIBF participated in the following events:

- 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. David Falzani MBE is part of the team providing entrepreneurship training to early stage entrepreneurs. In addition, several other SMFs have supported Enterprise Hub: Mike Astell delivered a session on Risk and Governance. Henning von Spreckelsen conducted a half-day workshop on profitability, entitled "Profitability Challenge", and delivered feedback as a practice pitch judge. Richard Smith has been taking part in 'Speed Mentoring' sessions for the SME Leaders Programme, and delivered feedback as a practice pitch judge. Ed Snow is a mentor to an Enterprise Hub member. Michael Hill has provided useful guidance, insights and contacts to the Enterprise Hub team over the past year as well.
- SMFs Mojgan Maramba, Mary Anne Stewart and Bhav Ubhi-Hull attended the "Engineering a workplace for women" event in June at the RAEng, in celebration of International Women in Engineering Day. The attendees discussed how engineering organisations can address barriers to career progression and seek ways to increase gender parity at all levels. It also provided young engineers with an opportunity to network with senior industry leaders, providing a platform to share advice, experiences and encourage participation from both sides.
- Sam Cockerill, Taha Dar, Evi Giamouzi, Bishrut Mukherjee, James Raby and David Falzani MBE led seminars and discussions at the RAEng Engineering Leaders Scholarship Weekend in Birmingham in September 2018.
- 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, access to and time with expert mentors 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 before a panel of judges. This year, David Falzani was one of the mentors for this programme and SMFs John Callaghan, Chris Shelley, Gordon Wylie, Henning von Spreckelsen and Simon Bonini helped with the judging.
- The Engineering Leaders' Scholarship selection event in March 2019 was supported by SMFs Mike Astell, Simon Bolton, Sam Cockerill, Will Jones, David MacGeehan, James McMicking and Hersh Shah, who all helped to select the new cohort of 35 Engineering Leaders' Scholarship winners.

Utilising new funding, we developed a marketing and advertising plan to raise the profile of the award scheme and to reach a more diverse range of future candidates. We launched a LinkedIn advertising campaign to stimulate enquiries for the scholarship, which ran for three months and generated over 200 direct responses. We are measuring the results of this campaign by comparing the names of respondents against application enquiries over the next few years. In addition, we are working with GMAC to target UK engineers who have taken the GMAT and have achieved scores above 600.

***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. The Gatsby Charitable Foundation has agreed to match all cash donations including gift aid until 2020. We anticipate that the current level of scholarships will be sustainable at today's costs when the fund reaches a minimum of £18 million.

# ENGINEERS IN BUSINESS FELLOWSHIP

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

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*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. 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. In addition, several SMFs helped out by judging and awarding prizes at SMF sponsored business competitions:

- In October 2018 Julian Fagandini, Bola Bamidele, Martin Dickinson and George Fowkes volunteered to help Kingston University MSc Engineering students with their 'Plastic Waste: prevention and cure' Hackathon
- In February 2019 David MacGeehan and Dere Ogbe took part in the judging process and presented the prizes at Kingston's Bright Ideas Competition, which is supported by an Engineers in Business cash prize fund.
- In March 2019 James Diaz-Sokoloff participated as a judge and presented the prizes at Imperial College's We Innovate Competition, supported by an Engineers in Business cash prize fund.

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 150 people attended, there were five other networking events in the UK this year.

### Scholarships and Grants

*This year the amount of the scholarship awarded was increased to £50,000 and 11 scholarships totalling £550,000 were awarded.*

The awardees included nine men and two women. The business school destinations include: Harvard (1), MIT (1), Stanford (1), INSEAD (6) and LBS (2).

### Financial review

The charity is largely dependent on income donated from its supporters, giving rise to such income of £934,955. Of this, £178,350 was unrestricted, £735,425 restricted and £21,180 in respect of the endowment funds. Overall income exceeded expenditure in the year by £134,768, increasing total reserves at the year end to £1,723,170.

The Scholarship expendable endowment fund amounts to £1,550,741 as at 31 March 2019, and is being built to support the educational objectives of the charity long term.

### 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 largely been maintained throughout the period.

The charity has a 2-3 year funding plan with Gatsby for unrestricted funds that is paid on an annual basis at the beginning of each financial year. We anticipate being able to continue maintaining this minimum level of unrestricted funds, in line with our policy.

# ENGINEERS IN BUSINESS FELLOWSHIP

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

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### Investments

The endowment funds are held in cash and in interest bearing deposit accounts split between three 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 2019/2020.

### 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 from 23 universities to up to 40 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 will continue to approach our members for their support and suggest ways in which they can become involved.

***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.

The inaugural meeting of the SMF Investor Group was held in November 2018 and attended by 25 SMFs. This is a new initiative launched by SMF Michael Hill, former Vice Chairman of Barclays Investment Bank, and the Founder of the ground-breaking charity, Rackets Cubed. The group shared knowledge, skills and opportunities and gave their advice to younger entrepreneurial attendees at the event. The SMF Investor Group plans to meet several times in 2019 and has already proved to be useful in fostering introductions and networking in the financial arena.

# ENGINEERS IN BUSINESS FELLOWSHIP

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

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### Fundraising

EIBF adheres to the Institute of Fundraising's Code of Practice, the Public Fundraising Association (PFRA) standards and the requirements of the Fundraising Standard Board (FRSB). We have had no FRSB adjudications and have had no significant failures to comply with these standards.

We have policies and procedures in place to meet the requirements. We monitor our performance to ensure that all EIBF fundraisers are aware of, and are adhering to, our standards.

The number of complaints received for the 12 months to 31 March 2019 regarding fundraising was nil (2018: nil).

If we encounter someone showing signs of distress, confusion or vulnerability, we will politely end the conversation and refuse any donation offered in such circumstances. In the unlikely event of a donation being taken in such circumstances, we refund the donation.

### 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 (Deceased 17 October 2018)

Mr H Von Spreckelsen

Mr N Thomas

Mr G A Bazire

Mr D M Weston

Mr S M Bonini

Mr M P Astell (Appointed 4 October 2018)

Ms I Akpofure (Appointed 4 October 2018)

Engineers in Business Fellowship is governed by a Board of 9 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.

The Trustees receive no remuneration.



# ENGINEERS IN BUSINESS FELLOWSHIP

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

FOR THE YEAR ENDED 31 MARCH 2019

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### 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.

### Disclosure of information to auditor

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

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



Mr G A Bazire

Trustee

Dated: 18 September 2019

# **ENGINEERS IN BUSINESS FELLOWSHIP**

## **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

***FOR THE YEAR ENDED 31 MARCH 2019***

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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

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#### Opinion

We have audited the financial statements of Engineers In Business Fellowship (the 'charity') for the year ended 31 March 2019 which comprise the statement of financial activities, the summary income and expenditure account, the statement of financial position, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2019 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the accounts 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### Other information

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

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

We have nothing to report in this regard.

# ENGINEERS IN BUSINESS FELLOWSHIP

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF ENGINEERS IN BUSINESS FELLOWSHIP

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#### **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the Trustees' Report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report included within the Trustees' 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 charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report included within the Trustees' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' Report and from the requirement to prepare a strategic report.

#### **Responsibilities of trustees**

As explained more fully in the statement of Trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose 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 charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the 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**

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.

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

# ENGINEERS IN BUSINESS FELLOWSHIP

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF ENGINEERS IN BUSINESS FELLOWSHIP

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#### Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an 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 the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Robin Evans BA FCA CTA (Senior Statutory Auditor)  
for and on behalf of MHA Carpenter Box

09/10/2019

Chartered Accountants  
Statutory Auditor  
Worthing

MHA Carpenter Box is a trading name of Carpenter Box Limited

# ENGINEERS IN BUSINESS FELLOWSHIP

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2019

	Notes	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2019 £	Total 2018 £
<b><u>Income and endowments from:</u></b>						
Donations and legacies	3	167,000	735,000	13,435	915,435	616,147
Charitable activities	4	11,285	-	-	11,285	12,654
Investments	5	51	425	7,745	8,221	5,172
Other incoming resources	6	14	-	-	14	-
<b>Total income and endowments</b>		<b>178,350</b>	<b>735,425</b>	<b>21,180</b>	<b>934,955</b>	<b>633,973</b>
<b><u>Expenditure on:</u></b>						
Charitable activities	7	140,471	659,716	-	800,187	516,500
<b>Net movement in funds</b>		<b>37,879</b>	<b>75,709</b>	<b>21,180</b>	<b>134,768</b>	<b>117,473</b>
Fund balances at 1 April 2018		(9,368)	68,209	1,529,561	1,588,402	1,470,930
<b>Fund balances at 31 March 2019</b>		<b>28,511</b>	<b>143,918</b>	<b>1,550,741</b>	<b>1,723,170</b>	<b>1,588,403</b>

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 2019

	Notes	2019 £	£	2018 £	£
<b>Fixed assets</b>					
Investments	13		1,483,042		1,511,471
<b>Current assets</b>					
Trade and other receivables	15	7,161		9,872	
Cash at bank and in hand		254,221		89,546	
		261,382		99,418	
<b>Current liabilities</b>	16	(21,254)		(22,486)	
<b>Net current assets</b>			240,128		76,932
<b>Total assets less current liabilities</b>			1,723,170		1,588,403
<b>Capital funds</b>					
Endowment funds - general			1,550,741		1,529,562
<b>Income funds</b>					
Restricted funds	17		143,918		68,209
Unrestricted funds			28,511		(9,368)
			1,723,170		1,588,403

The financial statements were approved by the Trustees on

18 September 2019

*Adm Bazire*

Mr G A Bazire  
Trustee

Company Registration No. 07807250

# ENGINEERS IN BUSINESS FELLOWSHIP

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2019

	Notes	2019 £	£	2018 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	20		128,025		123,372
<b>Investing activities</b>					
Term deposits		28,429		(88,697)	
Interest received		8,221		5,172	
<b>Net cash generated from/(used in) investing activities</b>			36,650		(83,525)
<b>Net cash used in financing activities</b>			-		-
<b>Net increase in cash and cash equivalents</b>			164,675		39,847
Cash and cash equivalents at beginning of year			89,546		49,699
<b>Cash and cash equivalents at end of year</b>			254,221		89,546



# ENGINEERS IN BUSINESS FELLOWSHIP

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 31 MARCH 2019**

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### **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 financial statements, 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 financial statements.

#### **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 financial statements.

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 2019

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### 1 Accounting policies

(Continued)

#### 1.5 Resources expended

Expenditure is recognised on an accruals basis, and classified under the following activity headings:

Charitable activities includes governance, support costs and grants to institutions.

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

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities.

#### 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 Non-current investments

Fixed asset investments consist solely of bank deposits that are held for the purpose of generating interest and are measured at cost less impairment.

#### 1.8 Cash and cash equivalents

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

#### 1.9 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 statement of financial position 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.

# ENGINEERS IN BUSINESS FELLOWSHIP

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2019

#### 1 Accounting policies

(Continued)

##### **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.

#### 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	Total
	2019	2019	2019	2019	2018
	£	£	£	£	£
Donations and gifts	167,000	735,000	13,435	915,435	616,147
<b>For the year ended 31 March 2018</b>	<b>182,200</b>	<b>363,266</b>	<b>70,681</b>		<b>616,147</b>

#### 4 Charitable activities

	Subscriptions	Dinner fees	Total 2019	Total 2018
	£	£	£	£
Sales within charitable activities	7,995	3,290	11,285	12,654

# ENGINEERS IN BUSINESS FELLOWSHIP

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

### 5 Investments

	Unrestricted funds	Restricted funds	Endowment funds general	Total	Total
	2019 £	2019 £	2019 £	2019 £	2018 £
Interest receivable	51	425	7,745	8,221	5,172
<b>For the year ended 31 March 2018</b>	<b>-</b>	<b>354</b>	<b>4,818</b>		<b>5,172</b>

### 6 Other incoming resources

	Unrestricted funds	Unrestricted funds
	2019 £	2018 £
Subscriptions	14	-

### 7 Charitable activities

	2019 £	2018 £
Staff costs	33,185	33,222
Other costs	164,950	100,992
	198,135	134,214
Grant funding of activities (see note 8)	550,000	330,000
Share of support costs (see note 9)	23,451	22,674
Share of governance costs (see note 9)	28,601	29,612
	800,187	516,500
<b>Analysis by fund</b>		
Unrestricted funds	140,471	183,883
Restricted funds	659,716	332,491
Endowment funds - general	-	126
	800,187	516,500

# ENGINEERS IN BUSINESS FELLOWSHIP

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

### 8 Grants payable

	2019 £	2018 £
Grants to institutions:		
Royal Academy of Engineering	550,000	330,000

### 9 Support costs

	Support costs £	Governance costs £	2019 £	2018 £
Professional support services	4,902	-	4,902	4,125
Staff costs	18,549	18,549	37,098	37,098
Audit fees	-	1,500	1,500	1,500
Accountancy	-	8,552	8,552	9,563
	<u>23,451</u>	<u>28,601</u>	<u>52,052</u>	<u>52,286</u>
Analysed between				
Charitable activities	<u>23,451</u>	<u>28,601</u>	<u>52,052</u>	<u>52,286</u>

### 10 Trustees

None of the trustees (or any persons connected with them) received any remuneration during the year. 1 trustee (2018: 2) was reimbursed a total of £575 (2018: £927) for travel and subsistence costs.

# ENGINEERS IN BUSINESS FELLOWSHIP

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

### 11 Employees

#### Number of employees

The average monthly number of employees during the year was:

	2019 Number	2018 Number
Staff	1	1
	<u>1</u>	<u>1</u>
<b>Employment costs</b>	<b>2019</b>	<b>2018</b>
	£	£
Wages and salaries	62,665	62,665
Social security costs	4,485	4,522
Other pension costs	3,133	3,133
	<u>70,283</u>	<u>70,320</u>

The number of employees whose annual remuneration was £60,000 or more were:

	2019 Number	2018 Number
£60,000 - £70,000	1	1
	<u>1</u>	<u>1</u>

### 12 Property, plant and equipment

	Fixtures, fittings & equipment £
<b>Cost</b>	
At 1 April 2018	338
At 31 March 2019	<u>338</u>
<b>Depreciation and impairment</b>	
At 1 April 2018	338
At 31 March 2019	<u>338</u>
<b>Carrying amount</b>	
At 31 March 2019	-
At 31 March 2018	<u>-</u>

# ENGINEERS IN BUSINESS FELLOWSHIP

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

### 13 Fixed asset investments

	Other investments
<b>Cost or valuation</b>	
At 1 April 2018	1,511,471
Income	551,632
Expenditure	(580,061)
	<u>1,483,042</u>
At 31 March 2019	<u>1,483,042</u>
<b>Carrying amount</b>	
At 31 March 2019	<u>1,483,042</u>
At 31 March 2018	<u>1,511,471</u>

	2019 £	2018 £
Other investments comprise:		
Bank deposits	<u>1,483,042</u>	<u>1,511,471</u>

14 Financial instruments	2019 £	2018 £
<b>Carrying amount of financial assets</b>		
Debt instruments measured at amortised cost	<u>1,483,042</u>	<u>1,511,471</u>

15 Trade and other receivables	2019 £	2018 £
<b>Amounts falling due within one year:</b>		
Prepayments and accrued income	<u>7,161</u>	<u>9,872</u>

16 Current liabilities	2019 £	2018 £
Other taxation and social security	2,141	-
Accruals and deferred income	19,113	22,486
	<u>21,254</u>	<u>22,486</u>

# ENGINEERS IN BUSINESS FELLOWSHIP

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2019

#### 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:

	Balance at 1 April 2018	Movement in funds		Balance at 31 March 2019
	£	Income £	Expenditure £	£
Overseas donations	13,266	-	-	13,266
Scholarship donations	54,943	735,425	(659,716)	130,652
	<u>68,209</u>	<u>735,425</u>	<u>(659,716)</u>	<u>143,918</u>

The overseas donations have to be spent outside of the United States.

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

#### 18 Analysis of net assets between funds

	Unrestricted funds 2019 £	Restricted funds 2019 £	Endowment funds 2019 £	Total 2019 £	Total 2018 £
Fund balances at 31 March 2019 are represented by:					
Investments	-	-	1,483,042	1,483,042	1,511,471
Current assets/(liabilities)	28,511	143,918	67,699	240,128	76,932
	<u>28,511</u>	<u>143,918</u>	<u>1,550,741</u>	<u>1,723,170</u>	<u>1,588,403</u>

#### 19 Related party transactions

##### Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2019 £	2018 £
Remuneration	<u>70,283</u>	<u>70,320</u>



# ENGINEERS IN BUSINESS FELLOWSHIP

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 MARCH 2019**

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20	Cash generated from operations	2019 £	2018 £
	Surplus for the year	134,768	117,473
	Adjustments for:		
	Investment income recognised in statement of financial activities	(8,221)	(5,172)
	Movements in working capital:		
	Decrease in trade and other receivables	2,710	205
	(Decrease)/increase in trade and other payables	(1,232)	10,866
	<b>Cash generated from operations</b>	<u>128,025</u>	<u>123,372</u>