

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 2020



ENGINEERS IN BUSINESS FELLOWSHIP

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees

Ms I Akpofure
Mr M P Astell
Mr G A Bazire
Mr S J Bonini
Mr D A M Falzani
Mr H Shah (Appointed 31 December 2019)
Mr N Thomas
Mr H von Spreckelsen
Mr D M Weston

Charity number

1147203

Company number

07807250

Registered office

16 Western Road
Lymington
Hampshire
SO41 9HL

Auditor

Azets Audit Services
Ventura House
Ventura Park Road
Tamworth
Staffordshire
B78 3HL

ENGINEERS IN BUSINESS FELLOWSHIP

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ENGINEERS IN BUSINESS FELLOWSHIP

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2020

The Trustees present their report and financial statements for the year ended 31 March 2020.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Charity's Memorandum and Articles of Association, 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) (effective 1 January 2019)".

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:

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 the number of competitions grew to 32 universities which embraced 5,496 participants (up 83% from last year) with a combined student/graduate audience of 183,886 (up 57% from last year). All of these students received core messages on the value of business education. Compared to last year, engineering students participating increased from 1,425 to 3,651 (a 156% uplift). 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.

In October 2019 we held the inaugural Champion of Champions Final which brought together students who competed in the Engineering in Business Competitions from across the UK. A total of 1,922 young people from 26 universities entered the competition and presented a diverse range of business ideas. From this group, ten finalists were selected to compete in the Champion of Champions Final and present at the Awards Ceremony at the Royal Academy of Engineering. Each finalist was partnered with a Sainsbury Management Fellow, who worked with the finalists, coaching them throughout the day and honing their presentations in order to make a winning impression on the judges.

The expansion of our Engineers in Business Competitions and the culmination of these competitions at the Champions of Champions Final have given unparalleled exposure for our messages on the importance of business skills for engineers. Publicity before and after the Engineers in Business Grand Final reached an audience of 8.4 million. This group included students considering engineering as a course of study, those already studying engineering and engineers, some of whom may be candidates for Sainsbury Management Fellows' Scholarships in the future.

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.

ENGINEERS IN BUSINESS FELLOWSHIP

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

FOR THE YEAR ENDED 31 MARCH 2020

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. A number of SMFs were part of the team providing entrepreneurship training to early stage entrepreneurs. In addition, several other SMFs have supported Enterprise Hub:
 - Richard Smith continues to provide valuable mentoring support to the Enterprise Hub Members. He is also taking part in twice annual 'Speed Mentoring' sessions for the SME Leaders Programme. Richard has also been approached to host investor hours at the Enterprise Hub.
 - Ed Snow continues to offer mentoring support to the Hub Members.
 - Michael Hill was a panel member for the scale up event hosted by the Enterprise Hub during the London Tech Week event in June 2019.
- Sam Cockerill, Hersh Shah, Bishrut Mukherjee and David Falzani MBE led seminars and discussions at the RAEng Engineering Leaders Scholarship Weekend in Birmingham in October 2019.
- 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, John Callaghan and David Falzani MBE were the mentors for this programme and SMFs Richard Smith, Gordon Wylie and Henning von Spreckelsen helped with the judging.
- The Engineering Leaders' Scholarship selection event in March 2020 was supported by SMFs Sam Cockerill, Adam Locke, Hersh Shah and Ed Snow, who all helped to select the new cohort of 38 Engineering Leaders' Scholarship winners.

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 2025. We anticipate that the current level of scholarships will be sustainable at today's costs when the fund reaches a minimum of £20 million.

ENGINEERS IN BUSINESS FELLOWSHIP

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

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.

This year we hosted and sponsored more events than ever before, attracting a large and diverse group of SMFs. In addition, several SMFs helped out by judging and awarding prizes at SMF-sponsored business competitions:

- In April 2019 Sam Cockerill helped out as a coach and judge at the University of York's Business Innovation and Entrepreneurship event.
- In May 2019 Taha Dar served as a judge at Anglia Ruskin University's Grand Final of The Big Pitch event.
- In June 2019 Patrick Macdonald attended the Inspire Launch Grow Awards at the University of Edinburgh
- In November 2019 Mike Astell gave a presentation on SMF and presented the EIB Competition Prizes at Lancaster University.
- In January 2020 George Fowkes volunteered to help Kingston University as one of the coaches for 150 students "polishing up" their pitches for the Bright Ideas Competition.
- In February 2020 Simon Fowles and Ernie Poku took part in the judging process and presented the prizes along with George Fowkes at Kingston's Bright Ideas Competition.
- In February 2020 Andrea Buttle and Meenal Pore coached a new cohort of 133 MSc Engineering students at Kingston University's Hackathon to develop ideas to answer the United Nations' Sustainable Development Goals challenge.
- In March 2020 Saquib Ansari and Simon West helped out as "Dragons" at the University of Warwick's Dragons' Den Event.

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 in May 2019, there were four 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 10 scholarships totalling £500,000 were awarded.

The awardees included nine men and one woman. The business school destinations include: Harvard (2), MIT (1), IMD (1), INSEAD (2), Wharton (1), IESE(1) and LBS (2).

ENGINEERS IN BUSINESS FELLOWSHIP

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

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 2020 regarding fundraising was nil (2019: 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.

Financial review

The charity is largely dependent on income donated from its supporters, giving rise to such income of £1,237,845. Of this, £132,000 was unrestricted, £788,000 restricted and £317,845 in respect of the endowment funds. Overall income exceeded expenditure in the year by £382,643, increasing total reserves at the year end to £2,105,813.

The Scholarship expendable endowment fund amounts to £1,909,061 as at 31 March 2020, 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 operational expenditure. The trustees consider 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. At 31 March 2020 there was a deficit on unrestricted funds of £1,780 and the trustees are taking steps to increase the unrestricted reserves to a level in line with the reserves policy.

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.

Investments

The endowment funds are held in cash, in interest bearing deposit accounts and 12 month term deposits split between three AAA rated UK High Street banks. The trustees are in the process of reviewing the charity's investment policy following the building up of the endowment fund.

Risks

The Trustees has 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.

COVID-19

COVID-19 had no material effect on the activities and results for 2019/20. However, there will be a significant impact on the coming year. Since our operating income is largely from the Gatsby Charitable Foundation, the C-19 situation will not materially affect our turnover and there is negligible pandemic-related threat to the continuation of EIBF as a going concern.

The material effect of the pandemic on EIBF is a restriction in our ability to deliver on our charitable aims which the Trustees anticipate will result in a lower expenditure on charitable activities during the coming year.

ENGINEERS IN BUSINESS FELLOWSHIP

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

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:

When Covid 19 restrictions lift, we hope to expand our Business Competition from 32 universities to many more. We will hold our Champion of Champions Final for the students who participated in the business competitions in October 2020, albeit in an online format.

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.

A second meeting of the SMF Investor Group was held in March 2020 and attended by 22 SMFs. The group shared knowledge, skills and opportunities and gave their advice to younger entrepreneurial attendees at the event. The SMF Investor Group members are now networking amongst themselves in the current Covid 19 environment.

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 and up to the date of signature of the financial statements were:

Ms I Akpofure

Mr M P Astell

Mr G A Bazire

Mr S J Bonini

Mr P M Dolan

(Deceased 10 April 2020)

Mr D A M Falzani

Mr H Shah

(Appointed 31 December 2019)

Mr N Thomas

Mr H von Spreckelsen

Mr D M Weston

ENGINEERS IN BUSINESS FELLOWSHIP

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

FOR THE YEAR ENDED 31 MARCH 2020

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

None of the Trustees has any beneficial interest in the company.

Members of the company guarantee to contribute £1 in the event of a winding up.

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 receive no remuneration.

Auditor

Baldwins Audit Services were appointed as auditor to the Charity during the year, subsequently their name has been changed to Azets Audit Services. 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:

7 Nov 2020

ENGINEERS IN BUSINESS FELLOWSHIP

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2020

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 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 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 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 estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the 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 financial statements 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 TRUSTEES OF ENGINEERS IN BUSINESS FELLOWSHIP

Opinion

We have audited the financial statements of Engineers in Business Fellowship (the 'Charity') for the year ended 31 March 2020 which comprise the statement of financial activities, the summary income and expenditure account, the balance sheet, 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 2020 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the 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 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

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 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 TRUSTEES 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 in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; 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, 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

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

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

A further description of our responsibilities for the audit of the financial statements 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 TRUSTEES OF ENGINEERS IN BUSINESS FELLOWSHIP

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Mr Mark Jackson FCA DChA (Senior Statutory Auditor)
for and on behalf of Azets Audit Services

11/10/20

Ventura Park Road
Tamworth
Staffordshire
B78 3HL

Azets Audit Services is eligible for appointment as auditor of the Charity by virtue of its eligibility for appointment as auditor of a company under of section 1212 of the Companies Act 2006.

ENGINEERS IN BUSINESS FELLOWSHIP

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 MARCH 2020

		Unrestricted funds 2020 £	Restricted funds 2020 £	Endowment funds 2020 £	Total Unrestricted funds 2020 £	Restricted funds 2019 £	Endowment funds 2019 £	Total 2019 £
	Notes							
Income from:								
Donations and legacies	3	132,000	788,000	317,845	1,237,845	167,000	735,000	915,435
Charitable activities	4	3,292	-	-	3,292	11,299	-	11,299
Investments	5	-	202	11,335	11,537	51	425	8,221
Total income and endowments		135,292	788,202	329,180	1,252,674	178,350	735,425	934,955
Expenditure on:								
Charitable activities	6	162,431	707,600	-	870,031	140,471	659,716	800,187
Net (outgoing)/incoming resources before transfers		(27,139)	80,602	329,180	382,643	37,879	75,709	134,768
Gross transfers between funds		(3,152)	(25,988)	29,140	-	-	-	-
Net movement in funds		(30,291)	54,614	358,320	382,643	37,879	75,709	134,768
Fund balances at 1 April 2019		28,511	143,918	1,550,741	1,723,170	(9,368)	68,209	1,588,402
Fund balances at 31 March 2020		(1,780)	198,532	1,909,061	2,105,813	28,511	143,918	1,723,170

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

All income and expenditure derive from continuing activities.

ENGINEERS IN BUSINESS FELLOWSHIP

SUMMARY INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2020

	All income funds	
	2020	2019
	£	£
Gross income	923,494	913,775
Transfer to endowment funds	(29,140)	-
Total income in the reporting period	894,354	913,775
Total expenditure from income funds	870,031	800,187
Net income for the year	24,323	113,588

ENGINEERS IN BUSINESS FELLOWSHIP

BALANCE SHEET

AS AT 31 MARCH 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Investments	11	1,890,742		1,483,042	
Current assets					
Debtors	12	15,203		7,160	
Cash at bank and in hand		223,603		254,221	
		238,806		261,381	
Creditors: amounts falling due within one year	13	(23,735)		(21,253)	
Net current assets		215,071		240,128	
Total assets less current liabilities		2,105,813		1,723,170	
Capital funds					
<u>Endowment funds - general</u>					
Expendable endowment		1,909,061		1,550,741	
	14	1,909,061		1,550,741	
Income funds					
Restricted funds	15	198,532		143,918	
Unrestricted funds		(1,780)		28,511	
		2,105,813		1,723,170	

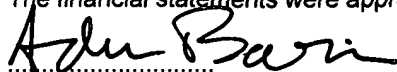
The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2020, although an audit has been carried out under section 144 of the Charities Act 2011.

The Trustees acknowledge their responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The members have not required the company to obtain an audit of its financial statements under the requirements of the Companies Act 2006, for the year in question in accordance with section 476.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees on 2 Nov 2020



Mr G A Bazire

Trustee

Company Registration No. 07807250

ENGINEERS IN BUSINESS FELLOWSHIP

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2020

	Notes	2020 £	£	2019 £	£
Cash flows from operating activities					
Cash generated from operations	18		365,545		128,025
Investing activities					
Purchase of investments		(942,822)		-	
Proceeds on disposal of investments		535,122		28,429	
Interest received		11,537		8,221	
Net cash (used in)/generated from investing activities			(396,163)		36,650
Net cash used in financing activities			-		-
Net (decrease)/increase in cash and cash equivalents			(30,618)		164,675
Cash and cash equivalents at beginning of year			254,221		89,546
Cash and cash equivalents at end of year			<u>223,603</u>		<u>254,221</u>

ENGINEERS IN BUSINESS FELLOWSHIP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

Charity information

Engineers in Business Fellowship is a private company limited by guarantee incorporated in England and Wales. The registered office is 16 Western Road, Lymington, Hampshire, SO41 9HL.

1.1 Accounting convention

The financial statements have been prepared in accordance with the Charity's Memorandum and Articles of Association, 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) (effective 1 January 2019)". The Charity is a Public Benefit Entity as defined by FRS 102.

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

The financial statements have been prepared under 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.

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 relate to donations made to the charity where the communication between the charity and the donor refers to the donations being held for the long term to generate income for future awards and grants. The trustees believe these funds to be expendable endowment funds and they are currently in the accumulation stage. It is anticipated that when funding for charitable activities is no longer forthcoming from the Gatsby Charitable Foundation, income from the endowment funds will be transferred to restricted funds for grants and awards.

1.4 Income

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.

Legacies are recognised on receipt or otherwise if the Charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

ENGINEERS IN BUSINESS FELLOWSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

(Continued)

1.5 Expenditure

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 Fixed asset investments

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

1.7 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term liquid investments with original maturities of three months or less.

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 debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

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 2020

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.

1.10 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

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.

ENGINEERS IN BUSINESS FELLOWSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

3 Donations and legacies

	Unrestricted funds	Restricted funds	Endowment funds general	Total	Unrestricted funds	Restricted funds	Endowment funds general	Total
	2020 £	2020 £	2020 £	2020 £	2019 £	2019 £	2019 £	2019 £
Donations and gifts	132,000	788,000	317,845	1,237,845	167,000	735,000	13,435	915,435

Donations and gifts include £1,167,000 (2019: £902,000) received from The Gatsby Charitable Foundation. Mr N Thomas is an employee of The Gatsby Charitable Foundation.

ENGINEERS IN BUSINESS FELLOWSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

4 Charitable activities

	Subscriptions 2020 £	Dinner fees 2020 £	Total 2020 £	Subscriptions 2019 £	Dinner fees 2019 £	Total 2019 £
Sales within charitable activities	3,217	60	3,277	7,995	3,290	11,285
Other income	-	15	15	-	14	14
	<u>3,217</u>	<u>75</u>	<u>3,292</u>	<u>7,995</u>	<u>3,304</u>	<u>11,299</u>

ENGINEERS IN BUSINESS FELLOWSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

5 Investments

	Restricted funds	Endowment funds general	Total	Unrestricted funds	Restricted funds	Endowment funds general	Total
	2020 £	2020 £	2020 £	2019 £	2019 £	2019 £	2019 £
Interest receivable	202	11,335	11,537	51	425	7,745	8,221

ENGINEERS IN BUSINESS FELLOWSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

6 Charitable activities

	2020 £	2019 £
Staff costs	36,241	33,185
Advertising and marketing	9,368	10,720
Bank fees	2,303	675
Communications	99,976	31,443
Other costs	4,115	26,317
Photography and video	23,459	869
Printing and photocopying	3,124	2,771
Professional fees	11,604	50
Publications	1,078	3,132
Repairs and maintenance	-	130
Scholarship and prize administration	37,607	40,845
Software and online services	2,020	867
Telephone and internet	1,050	1,278
Travel and subsistence	5,381	1,084
Venue hire	25,948	19,571
Website development	4,499	3,198
	<u>267,773</u>	<u>176,135</u>
Grants and prize funding of activities (see note 7)	556,512	572,000
Share of support costs (see note 8)	18,120	23,451
Share of governance costs (see note 8)	27,626	28,601
	<u>870,031</u>	<u>800,187</u>
Analysis by fund		
Unrestricted funds	162,431	140,471
Restricted funds	707,600	659,716
	<u>870,031</u>	<u>800,187</u>

7 Grants and competition prizes

	2020 £	2019 £
Grants administered by The Royal Academy of Engineering: Scholarships 10 (2019: 11) individuals	500,000	550,000
EIB Competition prizes	56,512	22,000
	<u>556,512</u>	<u>572,000</u>

ENGINEERS IN BUSINESS FELLOWSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

8 Support costs

	Support costs	Governance costs	2020	Support costs	Governance costs	2019
	£	£	£	£	£	£
Staff costs	18,120	18,120	36,240	18,549	18,549	37,098
Professional support services	-	-	-	4,902	-	4,902
Audit fees	-	2,400	2,400	-	1,500	1,500
Accountancy	-	7,106	7,106	-	8,552	8,552
	<u>18,120</u>	<u>27,626</u>	<u>45,746</u>	<u>23,451</u>	<u>28,601</u>	<u>52,052</u>
Analysed between Charitable activities	<u>18,120</u>	<u>27,626</u>	<u>45,746</u>	<u>23,451</u>	<u>28,601</u>	<u>52,052</u>

9 Trustees

None of the Trustees (or any persons connected with them) received any remuneration during the year, but two of them were reimbursed a total of £1,826 travelling expenses (2019- one was reimbursed £575).

10 Employees

Number of employees

The average monthly number of employees during the year was:

	2020 Number	2019 Number
Staff	<u>1</u>	<u>1</u>

Employment costs

	2020 £	2019 £
Wages and salaries	64,545	62,665
Social security costs	4,717	4,485
Other pension costs	3,219	3,133
	<u>72,481</u>	<u>70,283</u>

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

	2020 Number	2019 Number
£60,000 - £70,000	<u>1</u>	<u>1</u>

ENGINEERS IN BUSINESS FELLOWSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

11 Fixed asset investments

	Bank deposits £
Cost or valuation	
At 1 April 2019	1,483,042
Deposits	942,822
Withdrawals	(535,122)
At 31 March 2020	1,890,742
Carrying amount	
At 31 March 2020	1,890,742
At 31 March 2019	1,483,042

Fixed assets investments consist solely of bank deposits that are held for the purpose of generating interest.

12 Debtors

	2020 £	2019 £
Amounts falling due within one year:		
Prepayments and accrued income	15,203	17,160

13 Creditors: amounts falling due within one year

	2020 £	2019 £
Other taxation and social security	842	2,141
Accruals and deferred income	22,893	19,112
	23,735	21,253

ENGINEERS IN BUSINESS FELLOWSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

14 Endowment funds

Endowment funds are expendable:

	Movement in funds				Movement in funds				Balance at 31 March 2020 £
	Balance at 1 April 2018 £	Incoming resources £	Resources expended £	Transfers £	Balance at 1 April 2019 £	Incoming resources £	Resources expended £	Transfers £	
Expendable endowments									
Scholarship expendable fund	1,529,561	21,180	-	-	1,550,741	329,180	-	29,140	1,909,061
	<u>1,529,561</u>	<u>21,180</u>	<u>-</u>	<u>-</u>	<u>1,550,741</u>	<u>329,180</u>	<u>-</u>	<u>29,140</u>	<u>1,909,061</u>

The Endowment Fund has been established to support the perpetual continuation of the SMF Bursary Scheme.

ENGINEERS IN BUSINESS FELLOWSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

15 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			Movement in funds			Transfers	Balance at
	Balance at 1 April 2018	Incoming resources	Resources expended	Balance at 1 April 2019	Incoming resources	Resources expended	31 March 2020	Balance at 31 March 2020
	£	£	£	£	£	£	£	£
Overseas donations	13,266	-	-	13,266	-	-	-	13,266
Scholarship donations	54,943	735,425	(659,716)	130,652	788,202	(707,600)	(25,988)	185,266
	<u>68,209</u>	<u>735,425</u>	<u>(659,716)</u>	<u>143,918</u>	<u>788,202</u>	<u>(707,600)</u>	<u>(25,988)</u>	<u>198,532</u>

Overseas donations: The donor has specified that these donations are to be expended outside of the United States.

Scholarship donations: Donations to be applied towards the Sainsbury Management Fellowship (SMF) bursary scheme.

16 Analysis of net assets between funds

	Unrestricted funds 2020	Restricted funds 2020	Endowment funds 2020	Total Unrestricted funds 2020	Restricted funds 2019	Endowment funds 2019	Total
	£	£	£	£	£	£	£
Fund balances at 31 March 2020 are represented by:							
Investments	-	-	1,890,742	1,890,742	-	-	1,483,042
Current assets/(liabilities)	(1,780)	198,532	18,319	215,071	28,511	143,918	67,699
	<u>(1,780)</u>	<u>198,532</u>	<u>1,909,061</u>	<u>2,105,813</u>	<u>28,511</u>	<u>143,918</u>	<u>1,723,170</u>

ENGINEERS IN BUSINESS FELLOWSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

17 Events after the reporting date

Since the year end, the spread of COVID-19 has severely impacted many local economies around the globe. As a result, Charities are being forced to cease or limit operations for long or indefinite periods of time. Governments and central banks have responded with monetary and fiscal interventions to stabilise economic conditions. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have resulted in the Charity being forced to postpone some of its events.

The Trustees have determined that these events are non-adjusting subsequent events. Accordingly, the financial position and results of operations as of and for the year ended 31 March 2020 have not been adjusted to reflect their impact. The duration and impact of the COVID-19 pandemic, as well as the effectiveness of Government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the Charity for future periods.

18 Cash generated from operations	2020 £	2019 £
Surplus for the year	382,643	134,768
Adjustments for:		
Investment income recognised in statement of financial activities	(11,537)	(8,221)
Movements in working capital:		
(Increase)/decrease in debtors	(8,043)	2,711
Increase/(decrease) in creditors	2,482	(1,233)
Cash generated from operations	365,545	128,025