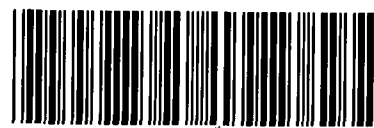


Charity Registration No. 1147203

Company Registration No. 07807250 (England and Wales)

**ENGINEERS IN BUSINESS FELLOWSHIP**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2018**

THURSDAY



A13      \*A7CFQXC0\*      #201  
16/08/2018  
COMPANIES HOUSE

# ENGINEERS IN BUSINESS FELLOWSHIP

## LEGAL AND ADMINISTRATIVE INFORMATION

---

### Trustees

Mr P Dolan  
Mr D Falzani  
Mr J Raby  
Mr H von Spreckelsen  
Mr N Thomas  
Mr G A Bazire  
Mr D M Weston  
Mr S M Bonini

### Charity number

1147203

### Company number

07807250

### Registered office

33 Ormond Crescent  
Hampton  
Middlesex  
TW12 2TJ

### Auditor

MHA Carpenter Box  
Amelia House  
Crescent Road  
Worthing  
West Sussex  
BN11 1QR

### Bankers

Barclays Bank PLC  
George Street  
Richmond  
TW9 1JU

HSBC  
Oxford Street  
London  
W1A 1EZ

Lloyds TSB Bank PLC  
Monument Street  
London  
EC3R 8BQ

---

# ENGINEERS IN BUSINESS FELLOWSHIP

## CONTENTS

---

	Page
Trustees' report	1 - 6
Statement of Trustees' responsibilities	7
Independent auditor's report	8 - 10
Statement of financial activities	11
Statement of financial position	12
Statement of cash flows	13
Notes to the accounts	14 - 21

---

# ENGINEERS IN BUSINESS FELLOWSHIP

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2018

---

The trustees present their report and financial statements for the year ended 31 March 2018.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's Memorandum and Articles of Association, the Charities Act 2011, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" published on 16 July 2014.

### Objectives and activities

The charitable objectives are:

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

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

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

### Achievements and performance

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

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 sponsored four competitions: Ingenuity18 at the University of Nottingham, The Bright Ideas Competition at Kingston University, the MakerSpark Competition (part of CitySpark Competition) at City University of London and the New Enterprise Competition at the University of Bristol, with a combined undergraduate engineer audience of 8,000 for our core messages on the value of business education. As well as receiving cash prizes, and possibly far more valuable, the winning team members are assigned Sainsbury Management Fellow (SMF) mentors, who are offering ongoing guidance and support.

One to one mentoring has been the cornerstone of SMFs helping young engineers and engineering students to plan their future careers. To publicise this service and to commemorate our 30th anniversary we launched ***Mentor30Engineers***. Undergraduate and graduate engineers were invited to pitch for career/entrepreneurship mentoring from 30 SMFs, with each winning applicant being paired with a mentor for 30 hours over 3 years. Applicants were asked to write a short essay on how to solve a current problem in society employing their engineering skillsets. We received some very thoughtful essays and fourteen winners were chosen.

Our members, the Sainsbury Management Fellows continue to help and guide young engineers in their careers and to support industry activities. SMF Michael Hughes MBE, co-CEO of LoopUp, launched the Silicon Valley Internship 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. The programme now receives over 500 applicants each year.

# ENGINEERS IN BUSINESS FELLOWSHIP

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

---

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

- 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 and Mike Astell helped with this initiative. Mike Astell delivered a seminar on the subject of Risk and Governance to a group of entrepreneurs as part of the Enterprise Hub initiative in August and gave another talk to SME leaders in March.
- Mike Astell, Busola Banjo, Adam Bazire, Simon Bonini, Sam Cockerill, Andy Layton, James Raby and David Falzani MBE led seminars and discussions at the RAEng Engineering Leaders Scholarship Weekend in Birmingham in October 2017.
- 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 coaches to develop their business plans and the opportunity to work in teams on a genuine challenge or opportunity faced by a UK-based technology driven organisation. The two-week training is rounded off with a final day of pitches in front of a panel of judges. In February 2018, David Falzani MBE was one of the coaches for this programme and SMF John Callaghan helped with the judging.
- In February SMF Ian Peerless participated as a judge at Kingston University's Bright Ideas Competition as part of the Engineers in Business Competition.
- The Engineering Leaders Scholarship selection event in March 2018 was supported by SMFs James Raby, Mike Astell, Adam Bazire, Adam Locke, Sam Cockerill, Mark Spence and Mojgan Maramba, who helped to select the new cohort of 35 Engineering Leaders Scholarship winners.

We have developed a marketing and advertising plan to foster diversity and, most recently, we have been given an advertising budget to explore promotional activities. We have advertised in The Engineer online and are working with GMAC to target UK engineers who have taken the GMAT and have achieved scores above 600. We are confident that our increased promotional activity will attract more applicants from a broader range of diverse backgrounds.

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

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

By the end of this year, our pledges and donations including gift aid and matched funds reached the £2.3 million mark. This is another positive step in the road to self-sufficiency. We anticipate that the current level of scholarships will be sustainable at today's costs when the fund reaches a minimum of £10 million.

# ENGINEERS IN BUSINESS FELLOWSHIP

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

---

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

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

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

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

### Scholarships and Grants

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

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

### Financial review

The charity is largely dependent on income donated from its supporters, giving rise to such income of £616,147. Of this, £182,200 was unrestricted, £363,266 restricted and £70,681 in respect of the endowment funds.

Overall, income exceeded expenditure in the year by £117,473, increasing total reserves at the year end to £1,588,403.

The Scholarship expendable endowment fund amounts to £1,529,562 as at 31 March 2018, and is being built to support the educational objectives of the charity long term.

Restricted funds represent only a small element of these reserves at year end, amounting to £68,209, and relate to overseas donations held to fund one scholarship in 2018/2019.

### Reserves policy

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

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. With continuing improvement on controlling costs to allow less spending of charitable funds we hope to bring the unrestricted funds in line with our policy.

### Funds in deficit

The charity anticipated funding by the end of the year which was not received, leading to the deficit reported on unrestricted funds. The Trustees are satisfied that this is cleared in the next financial period, and there will be no deficit reported at the end of March 2019.

# ENGINEERS IN BUSINESS FELLOWSHIP

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

---

### 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 2018/2019.

### 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 four universities to up to 25 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 send out our Aspire newsletter to all SMFs, which keeps them informed of our progress and suggests ways in which they can become involved.*

SMF Laurence Knight contacted all US based SMFs in September 2017 to inform them that EIBF has set up an EIBF Friends' Fund, a tax efficient donation mechanism via CAF (Charities Aid Foundation) - a funding vehicle used by many global charities. CAF offers flexibility in giving, from lump sums to monthly standing orders, and any commitment of any amount, is a valid contribution to the future of the SMF Scheme. There is also an agreement with CAFCanada which offers similar tax benefits to Canadian donors.

We were delighted to receive our first Bronze donation from the US in January 2018. We are encouraged by the support communicated by our US SMFs and look forward to receiving further donations as time goes on.

EIBF implemented **Donorfy**, a fundraising CRM software package for non-profit organisations. It is Cloud based and low cost but powerful. This system is expected to meet all EIBF current and future needs in terms of fundraising and data management. Donorfy also links with our Xero accounting system and will transfer donation information directly to our accounts. With Donorfy in place, EIBF will have a fully integrated back office and be perfectly poised to pursue corporate and institutional fundraising.

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

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

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

# ENGINEERS IN BUSINESS FELLOWSHIP

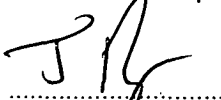
## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

---

### 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 J Raby

Trustee

Dated: 22/7/18



# **ENGINEERS IN BUSINESS FELLOWSHIP**

## **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018**

---

### **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 2018 regarding fundraising was nil (2017: 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  
Mr H von Spreckelsen  
Mr N Thomas  
Mr G A Bazire  
Mr D M Weston  
Mr S M Bonini

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

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

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

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

The Trustees receive no remuneration.

### **Auditor**

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

# **ENGINEERS IN BUSINESS FELLOWSHIP**

## **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

**FOR THE YEAR ENDED 31 MARCH 2018**

---

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

---

#### Opinion

We have audited the financial statements of Engineers In Business Fellowship (the 'charity') for the year ended 31 March 2018 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 2018 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 accounts 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 has 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 is 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

---

#### **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, is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the 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 is responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the 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.

---

#### 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

24/07/2018

Chartered Accountants  
Statutory Auditor

Amelia House  
Crescent Road  
Worthing  
West Sussex  
BN11 1QR

# ENGINEERS IN BUSINESS FELLOWSHIP

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2018

	Notes	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2018 £	Total 2017 £
<b><u>Income from:</u></b>						
Donations and legacies	3	182,200	363,266	70,681	616,147	1,414,594
Charitable activities	4	12,654	-	-	12,654	10,575
Investments	5	-	354	4,818	5,172	2,535
<b>Total income</b>		<b>194,854</b>	<b>363,620</b>	<b>75,499</b>	<b>633,973</b>	<b>1,427,704</b>
<b><u>Expenditure on:</u></b>						
Charitable activities	6	183,883	332,491	126	516,500	472,006
<b>Net movement in funds</b>		<b>10,971</b>	<b>31,129</b>	<b>75,373</b>	<b>117,473</b>	<b>955,698</b>
Fund balances at 1 April 2017		(20,339)	37,080	1,454,189	1,470,930	515,232
<b>Fund balances at 31 March 2018</b>		<b>(9,368)</b>	<b>68,209</b>	<b>1,529,562</b>	<b>1,588,403</b>	<b>1,470,930</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 2018

	Notes	2018 £	£	2017 £	£
<b>Fixed assets</b>					
Investments	12		1,511,471		1,422,774
<b>Current assets</b>					
Trade and other receivables	14	9,872		10,077	
Cash at bank and in hand		89,546		49,699	
		99,418		59,776	
<b>Current liabilities</b>	15	(22,486)		(11,620)	
Net current assets			76,932		48,156
<b>Total assets less current liabilities</b>			1,588,403		1,470,930
<b>Capital funds</b>					
Endowment funds - general			1,529,562		1,454,189
<b>Income funds</b>					
Restricted funds	16		68,209		37,080
Unrestricted funds			(9,368)		(20,339)
			1,588,403		1,470,930

The financial statements were approved by the Trustees on 22/7/18

Mr J Raby  
Trustee

Company Registration No. 07807250

# ENGINEERS IN BUSINESS FELLOWSHIP

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2018

	Notes	2018 £	£	2017 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	19		123,372		961,637
<b>Investing activities</b>					
Term deposits		(88,697)		(916,009)	
Interest received		5,172		2,535	
<b>Net cash used in investing activities</b>			(83,525)		(913,474)
<b>Net cash used in financing activities</b>					
<b>Net increase in cash and cash equivalents</b>			39,847		48,163
Cash and cash equivalents at beginning of year			49,699		1,536
<b>Cash and cash equivalents at end of year</b>			89,546		49,699



# ENGINEERS IN BUSINESS FELLOWSHIP

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

---

### 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 2018

---

### 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
--------------------------------	------------------------

#### 1.7 Cash and cash equivalents

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

#### 1.8 Financial instruments

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

Financial instruments are recognised in the charity's 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.

##### **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.

# ENGINEERS IN BUSINESS FELLOWSHIP

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

### 1 Accounting policies

(Continued)

#### *Derecognition of financial liabilities*

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

### 1.9 Employee benefits

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

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

### 2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

### 3 Donations and legacies

	Unrestricted funds	Restricted funds	Endowment funds general	Total 2018	Total 2017
	£	£	£	£	£
Donations and gifts	182,200	363,266	70,681	616,147	1,414,594
For the year ended 31 March 2017	174,600	333,549	906,445		1,414,594

### 4 Charitable activities

	Subscriptions	Dinner fees	Total 2018	Total 2017
	£	£	£	£
Sales within charitable activities	7,905	4,749	12,654	10,575

# ENGINEERS IN BUSINESS FELLOWSHIP

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

### 5 Investments

	Restricted funds	Endowment funds general	Total 2018	Total 2017
	£	£	£	£
Interest receivable	354	4,818	5,172	2,535
For the year ended 31 March 2017	413	2,122		2,535

### 6 Charitable activities

	2018 £	2017 £
Staff costs	33,222	26,728
Other costs	100,992	85,098
	134,214	111,826
Grant funding of activities (see note 7)	330,000	300,000
Share of support costs (see note 8)	22,674	29,509
Share of governance costs (see note 8)	29,612	30,671
	516,500	472,006
<b>Analysis by fund</b>		
Unrestricted funds	183,883	171,981
Restricted funds	332,491	300,000
Endowment funds - general	126	25
	516,500	472,006

### 7 Grants payable

	2018 £	2017 £
Grants to institutions:		
Royal academy of engineering	330,000	300,000

# ENGINEERS IN BUSINESS FELLOWSHIP

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

### 8 Support costs

	Support costs £	Governance costs £	2018 £	2017 £	Basis of allocation
Professional support	4,125	-	4,125	10,960	Direct
Staff costs	18,549	18,549	37,098	37,098	Time occupied
Audit fees	-	1,500	1,500	2,674	Governance
Accountancy	-	9,563	9,563	9,448	Governance
	<u>22,674</u>	<u>29,612</u>	<u>52,286</u>	<u>60,180</u>	
Analysed between Charitable activities	<u>22,674</u>	<u>29,612</u>	<u>52,286</u>	<u>60,180</u>	

### 9 Trustees

None of the trustees (or any persons connected with them) received any remuneration during the year. 2 trustees (2017: 2) were reimbursed a total of £927 for travel and subsistence costs (2017: £1,320).

### 10 Employees

#### Number of employees

The average monthly number employees during the year was:

	2018 Number	2017 Number
Staff	<u>1</u>	<u>1</u>

#### Employment costs

	2018 £	2017 £
Wages and salaries	25,567	20,568
Social security costs	4,522	3,426
Other pension costs	3,133	2,734
	<u>33,222</u>	<u>26,728</u>

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

	2018 Number	2017 Number
£60,000 - £70,000	<u>1</u>	<u>-</u>

# ENGINEERS IN BUSINESS FELLOWSHIP

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

### 11 Property, plant and equipment

#### Fixtures, fittings & equipment

£

#### Cost

At 1 April 2017

338

At 31 March 2018

338

#### Depreciation and impairment

At 1 April 2017

338

At 31 March 2018

338

#### Carrying amount

At 31 March 2018

-

At 31 March 2017

-

### 12 Fixed asset investments

#### Other investments

#### Cost or valuation

At 1 April 2017

1,422,774

Additions

88,697

At 31 March 2018

1,511,471

#### Carrying amount

At 31 March 2018

1,511,471

At 31 March 2017

1,422,774

Other investments comprise:

2018

£

2017

£

Bank deposits

1,511,471

1,422,774

### 13 Financial instruments

2018

£

2017

£

#### Carrying amount of financial assets

Debt instruments measured at amortised cost

1,511,471

1,422,774

# ENGINEERS IN BUSINESS FELLOWSHIP

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

### 14 Trade and other receivables

	2018 £	2017 £
Amounts falling due within one year:		
Prepayments and accrued income	9,872	10,077

### 15 Current liabilities

	2018 £	2017 £
Accruals and deferred income	22,486	11,620

### 16 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 2017 £	Movement in funds		Balance at 31 March 2018 £
		Income £	Expenditure £	
Overseas donations	-	13,266	-	13,266
Scholarship donations	37,080	350,354	(332,491)	54,943
	37,080	363,620	(332,491)	68,209

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

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

### 17 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total £
Fund balances at 31 March 2018 are represented by:				
Investments	-	-	1,511,471	1,511,471
Current assets/(liabilities)	(9,368)	68,209	18,091	76,932
	(9,368)	68,209	1,529,562	1,588,403

# ENGINEERS IN BUSINESS FELLOWSHIP

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

### 18 Related party transactions

#### Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2018 £	2017 £
Remuneration	70,320	63,826

### 19 Cash generated from operations

	2018 £	2017 £
Surplus for the year	117,473	955,698
Adjustments for:		
Investment income recognised in statement of financial activities	(5,172)	(2,535)
Movements in working capital:		
Decrease in trade and other receivables	205	1,963
Increase in trade and other payables	10,866	6,511
Cash generated from operations	123,372	961,637