

**The Engineering and Technology Board
Trading as the EngineeringUK Group
Report and Financial Statements
For the Year Ended 31 August 2021**

COMPANY NO: 4322409

ENGLAND AND WALES CHARITY NO: 1089678

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Report of the Trustees

Introduction

The Trustees present this Annual Report for the purpose of the Charities SORP and also includes on pages 3-14 the Strategic Report required under company law. The legal and administrative information set out on pages 37-40 also forms part of this report. The financial statements comply with current statutory requirements, the Memorandum and Articles of Association and the Statement of Recommended Practice – Accounts and Reporting by Charities issued in 2015.

This Annual Report covers the 12 months to the end of August 2021. The business plan for the year was formulated in the summer of 2020 at a time when the emergence of more transmissible variants of covid-19 and the consequent return of lockdowns were not widely foreseen. Indeed, our plans included a face-to-face Big Bang Fair for tens of thousands of young people to be delivered in 2021. We quickly realised that we could not plan for such an event, but we had built flexibility with mixed digital and in person delivery across all our plans for working young people, and digital delivery came to the fore.

We've prioritised working with others who share our ambitions throughout the year and we've been pleased to launch two major new programmes in support of such collaborations – the Tomorrow's Engineers Code and Neon, as described in the section on growing our collective impact below.

As with many organisations, it has been a year of ongoing reinvention as we've adapted to an ever-changing environment. We've also continued to work remotely for most of the year, with the introduction of some in office and/or hybrid working over the summer 2021. Supporting our staff through these ongoing challenging times has been a priority.

Over the year, we've brought our Equality, Diversity and Inclusion (EDI) sub-strategy to life with tangible impacts across our work. We've also developed and shared more content related to the climate emergency and have developed a new Environmental Sustainability sub-strategy to ensure we take a strategic approach to prioritising this across all our work.

As our 2020/21 business year closes, we are in a strong financial position to continue to innovate and test new approaches to deliver our mission and are looking forward optimistically and positively to a reintroduction of more face to face activities with young people.

EngineeringUK Objectives

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

Ambition and goals

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

We aim to achieve this through:

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

Public Benefit

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

Benefits arising from our activities are as follows.

- Young people benefit from understanding and being inspired by engineering and being informed on how to progress into engineering related careers. At a time when they are concerned about job availability and security, it is important that young people from all backgrounds realise that engineering can meet these needs for them, as well as delivering societal value.
- Schools benefit from activities and employer engagements which can help with students' motivation, progression, attainment and careers education, including meeting the requirements for English schools set out in the Gatsby benchmarks.
- Stakeholders and partners benefit from better collaboration and coordination of their engagement activities and the provision of evidence, guidance and opportunities to improve their delivery – increasing their public benefits and the efficiency of their work.
- Society benefits from having a larger and more diverse engineering workforce (see section below).

We need more and more diverse engineers

Our ambition – to grow the number and diversity of young people going into engineering – is more important than ever.

Engineers are critical to addressing national and international challenges. They have a role to play in addressing all the Sustainable Development Goals, especially SDG 6 (clean water and sanitation), SDG 7 (affordable and clean energy), SDG 8 (decent work and economic growth), SDG 9 (including resilient infrastructure and sustainable industrialisation), SDG 11 (sustainable cities and communities) and SDG 13 (Climate Action). The UK Government will depend on engineers to achieve its ambitions in this area, most recently described in its Ten point plan for a Green Industrial Revolution, and to achieve Net Zero by 2050. But the engineering workforce will also be critical in resolving the wider Grand Challenges identified in the Industrial Strategy (artificial intelligence and data, ageing society and the future of mobility), to deliver against the Innovation Strategy, and to grow R&D investment to 2.4% of GDP by 2027.

Engineers and those with engineering skills add great value to the UK economy. Analysis suggests that the gross value added for the UK by the engineering sector, was £420 billion in 2015 and the sector

employs almost a fifth of the UK workforce. The Government will need engineering to boost the recovery through its investments in new infrastructure.

We need more, and a more diverse group of, young people going into engineering. Young people inherently diversify the workforce through their youth and this generation is digital first and have important insights into current and future market needs. Employers also need an age-balanced workforce to ensure a smooth sharing of expertise over the long term. But youth is just one of many dimensions needed to grow workforce diversity and boost innovation, creativity, productivity, resilience and market insight.

The engineering workforce could and should be much more diverse. As of late 2020, only 14.5% of the engineering workforce were women and 10% from ethnic minority backgrounds, compared to 55% and 13%, respectively, of those in non-engineering occupations.

Efforts must be made to ensure potential future engineers coming up through the education system are increasingly diverse to address this disparity. But at present, there are clear issues of under-representation in educational pathways into engineering. For example, in higher education, just 19% of engineering and technology students in 2018/19 were women and 9% had declared that they have a disability or impairment, as compared with 57% and 14%, respectively, across all subject areas.

Objectives and Achievements for 2020/21

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

Why is this important?

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

What did we say we would do during 2020/21?

- Develop a digital offer to complement face-to-face activities across all our direct engagement activities (the Big Bang Programme, Robotics Challenge and Energy Quest).
- Fundraise for and deliver bursaries to extend our reach to young people from groups that are under-represented in engineering.

How did we do?

- Our Big Bang Programme provides STEM inspiration and careers activities aiming to ensure that the breadth of engineering is represented in this wider context. We use this strategy to convey the interconnectedness of STEM careers and present an offer that works well for whole classes or year groups.
- In October 2020, it was decided that the Big Bang Fair would be replaced with a digital event due to uncertainty about the pandemic. This early decision enabled us to invest more in developing a high-quality, innovative, digital event that ran over 3 days at the end of June 2021. Over 120,000 people viewed content from 35 organisations, most aged 11-14 years old, with the final day themed around building a brighter, greener future. More than half of the young people surveyed said they know more about STEM careers as a result of attending Big Bang Digital and nearly half of teachers said they were more confident giving advice around engineering careers.
- As an in-school activity, the Big Bang at Schools programme continued, with 30 schools funded and supported to deliver Fairs; 8 of these were postponed due to high coronavirus rates in the

summer term and will now be held in 2021/22. 3,500 young people participated in Big Bang at Schools. The evaluation found that 44% reported they knew what subjects they would need to take next to become an engineer. All teachers said that they would suggest engineering as a career to their pupils and over half said that they felt more confident giving advice about engineering careers after taking part in the Big Bang at School.

- The Big Bang Competition was run entirely online from entry through to judging. Finalists were interviewed over video and the award ceremony was broadcast as part of the Big Bang Digital. 217 projects were entered into the Competition, with many of these submitted by individuals rather than teams, reflecting the challenge of the hands-on, group project work in the context of the disruption to schools over the period.
- The Robotics Challenge enables young people to work in teams to code robots to complete a series of challenges themed around sustainability. 246 schools signed up to Robotics Challenge and an online Scratch simulation was developed for students while they were remote learning and worked well. However, it was hard to pick up the hands-on elements once schools returned, because of challenges using shared equipment and with cancelled STEM clubs. Despite these issues, 40% of schools participated in the final competitive elements and the programme will repeat in 2021/22 to enable all of them to take part as they had planned.
- We have developed, with teachers' and young people's involvement, a new 3 year programme for Energy Quest with content exploring sustainable energy sources and related engineering careers. During the summer term of 2021, 89 workshops were delivered online to nearly 3,000 students typically in whole class groups, supported by teachers with hands-on kit in the classrooms. Evaluations found that students enjoyed with the workshops with over half saying they would choose to take part again and nearly half saying they were inspired to find out more about engineering careers.
- We continue to support, including with funding and staff time, the Royal Academy of Engineering's *This is Engineering* campaigns.
- In November we organised Tomorrow's Engineers Week, an annual celebration of all engineers that aims to inspire young people. We saw strong take up of the template for social content around #ImAnEngineer and over 25 pieces of media coverage (during the week of the US election). The Big Quiz exceeded expectations and target, garnering 28,500 entries from 1,400 schools.
- This year we developed [EDI criteria](#) to identify schools with higher rates of young people on free school meals, from ethnic minority backgrounds, with special educational needs or disabilities, or in under-populated areas. 48% of schools in the UK meet these criteria and we set targets to increase our reach into them through targeted communications and a new bursary scheme.
- We raised funding to deliver bursaries which supported schools meeting the EDI criteria to participate in our Big Bang or Robotics Challenge programmes, or for any of the activities run by other organisations listed on Neon. 136 schools received bursaries and their teachers frequently said that they would not have been able to participate without them, and that the impact of the bursaries (e.g., by investing in resources) would extend to future years.
- Initial evaluations show that a higher proportion of schools that met the EDI criteria participated in our programmes than in the previous year, with increases ranging from 7% to 56%. Also, more young people from our target groups participated in EngineeringUK activities in schools that met the EDI criteria as compared with schools that did not.

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

Why is this important?

Thought leadership is needed to deepen the understanding of what outreach works and what deters young people from pursuing engineering. Better evaluation and analysis are essential to improve engineering focused STEM outreach activities and to develop more innovative ones that produce better outcomes. These insights need to sit alongside analysis of the engineering sector, its current workforce and future workforce needs.

What did we say we would do during 2020/21?

- Publish the Impact Framework and associated guidance on evaluation including a question bank.
- Develop and publish the 2021 Engineering Brand Monitor.
- Continue to produce relevant and responsive research outputs including building up the Engineering Insights dashboards and exploring careers provision and the participation of different demographic groups in engineering.

How did we do?

- We developed and published the impact framework for engineering outreach with input from expert stakeholders. The framework summarises the latest thinking on how engineering outreach activities can collectively make an impact on young people's educational and career choices. We ran sessions with stakeholders and published a webinar on the Framework on the Tomorrow's Engineers website.
- We amended our approach to providing data on engineering and its workforce via a series of interactive dashboards available on the EngineeringUK website. This allowed us to track and report on the economic implications of covid on engineering.
- We also amended our approach to the Engineering Brand Monitor, which looks at public perceptions of engineers and engineering, reviewing the questions and linking parent and child responses for the first time. We've drawn together some of these newly developed questions with questions from other sources into a measures bank to support other organisations with their evaluations, to be published in autumn 2021.
- We published 2 reports into careers provision in schools. [Our careers, our future: STEM careers provision and young people](#) outlined young people's experiences and perspectives of careers provision and engineering, while [Securing the future](#), a joint report with 7 other engineering and careers organisations, reflected the views of teachers we surveyed that Covid-19 has made delivering essential careers provision in schools and colleges more difficult.
- We work closely with the National Engineering Policy Centre, led by the Royal Academy of Engineering. We've also held several key policy meetings, including with the Business Secretary and Exchequer Secretary. We have worked with members of the House of Lords on the Skills and Post-16 Education Bill, met with the Shadow Education Secretary and have developed relationships with civil servants in DfE and BEIS.

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

Why is this important?

We need all organisations with an interest in increasing the number and diversity of tomorrow's engineers to work together more effectively, sharing their learnings and better coordinating and targeting their activities. Making sure that we get the most out of the engineering engagement that

we all do is more important than ever as the resources available have reduced due to the pandemic and the need for engagement has increased, as young people have had less careers activity and are more uncertain about their prospects.

What did we say we would do during 2020/21

- Launch the Neon digital platform and the Tomorrow's Engineers Code.
- Drive collaboration and develop accessible and useful resources to enhance the impact of our and others' engineering engagement activities, to be shared through a new Tomorrow's Engineers Hub.

How did we do?

- We launched the [Neon](#) digital platform in September 2020 to help teachers find engineering activities that meet their needs and that meet our quality standard. Neon has listed 146 experiences from 79 providers, including a section for virtual or online activities added in response to the pandemic. By the end of the academic year, Neon had received 210,000 page views, with 25,000 downloads of the Tomorrow's Engineers careers resources and 5,000 teachers clicking to check availability of experiences. 1,100 secondary school teachers have signed up for a Neon account, so it is being used in over 20% of UK secondary schools, and likely much more than that.
- In October 2020, we launched the [Tomorrow's Engineers Code](#). By the end of the business year, over 160 organisations had signed and made four pledges to work together to improve the quality, inclusivity, targeting and reach of their activities. Governed by the Tomorrow's Engineers Code Advisory Board, a new subcommittee of the EngineeringUK Board, it has already supported collaboration through 5 digital workshops with over 150 attendees from over 70 organisations and Signatories are encouraged to be active users of the Tomorrow's Engineers website (see below).
- We work closely with our Corporate Members, including engaging them quarterly through our Business & Industry Panel meetings, where we discuss and review key topics and programmes aimed at addressing the skills challenges.
- We have grown our engagement with Professional Engineering Institutions (PEIs), with more involved in the planning as well as delivery of our work, ensuring that we understand the support and activity they would like from us, including through the introduction of quarterly meetings.
- We have redeveloped the Tomorrow's Engineers brand and produced a website which provides a single source of information and guidance for organisations wishing to improve their engineering inspiration activities, including Signatories of the Tomorrow's Engineers Code, Neon content providers, our Corporate Members and Professional Engineering Institutions. It has had around 25,000 users since launch in January and hosts 28 different resources, including powerpoint presentations and webinars, 17 of which were created by EngineeringUK (some in partnership).
- We also worked closely with the Careers and Enterprise Company on a [microsite](#) to support Gatsby Benchmark 6 (experiences of workplaces), building on work with Corporate Members around good practice for Virtual Work Experience.

Plans for 2021-22

We will continue to be flexible in our delivery over the coming year in response to the external environment and ongoing impacts from the pandemic. We have built this into our planning and will engage our audiences in ongoing decision making.

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

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

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

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

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

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

Our work is delivered in line with our values

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

Financial Review

As can be seen in Chart below, most of EngineeringUK's income is derived from the registration fees of Chartered Engineers and Technicians. The fees are passed to us by PEIs and shared with the Engineering Council, the organisation that keeps the standards under review, operates the register

and quality assures the Institutions. This income is complimented by ongoing support from around thirty Corporate Members. The PEIs and Corporate Members help shape our work through regular interaction and representation on our Board and these funding streams enable us to deliver our core work, innovate and develop new programmes, and subsidise programmes that are also supported by other funders.

Aside from the fees raised through the PEIs, over the 2020/21 financial year, a total of 50 funders (including our Corporate Members) supported our work, many of these gave small amounts to participate in the Big Bang programme, but others contributed larger amounts:

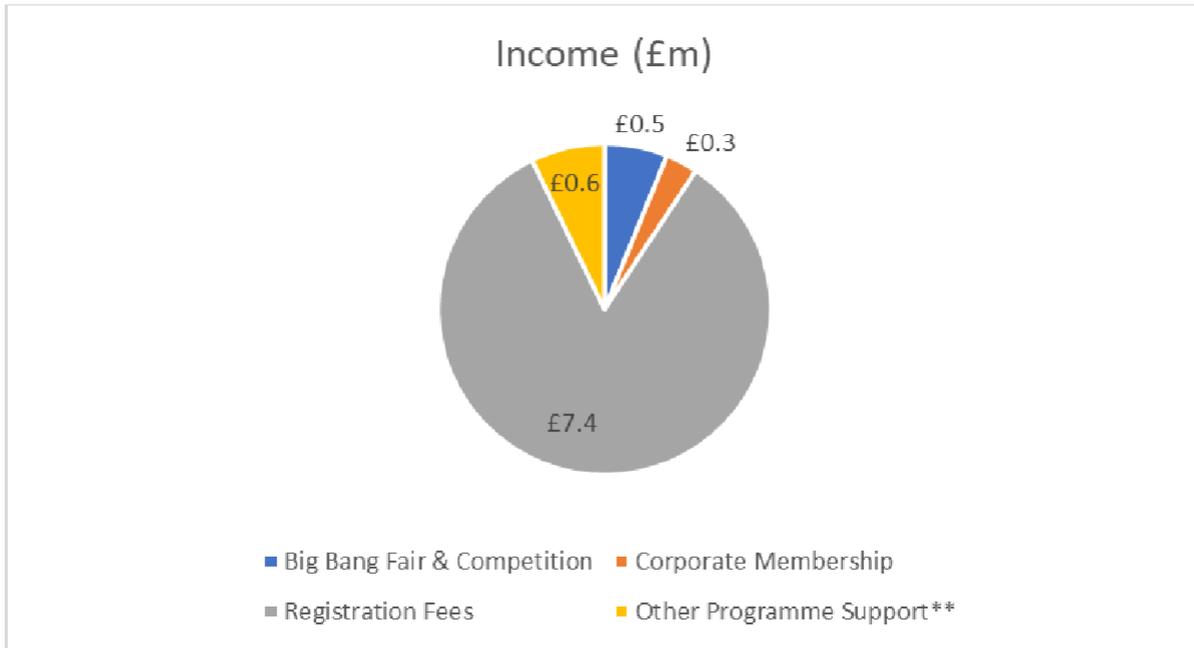
- 13 funders contributed £15-50k (Anglo American, British Army, Health Education England (NHS), Highways England, HS2 Ltd, IET, Leonardo UK, Malcolm Brinded, National Grid, Openreach UK, Sellafield Ltd, Siemens Plc, Thales UK).
- 7 funders contributed £50-200k (Gatsby Charitable Foundation, GlaxoSmithKline, Helsington Foundation, Network Rail, The Royal Air Force, Rolls-Royce, Shell Centenary Scholarship Fund).
- 1 funder contributed above £200k (Shell) with most of this funding supporting Energy Quest.

The figures for 2020/21 are significantly affected by the ongoing impacts of the pandemic, most notably, through the cancellation of the face to face Big Bang Fair, increased investment into expanding the Big Bang Digital in its place, reduced delivery of Robotics Challenge and Energy Quest due to school lockdowns and other impacts upon them, and reduced travel and occupation of premises.

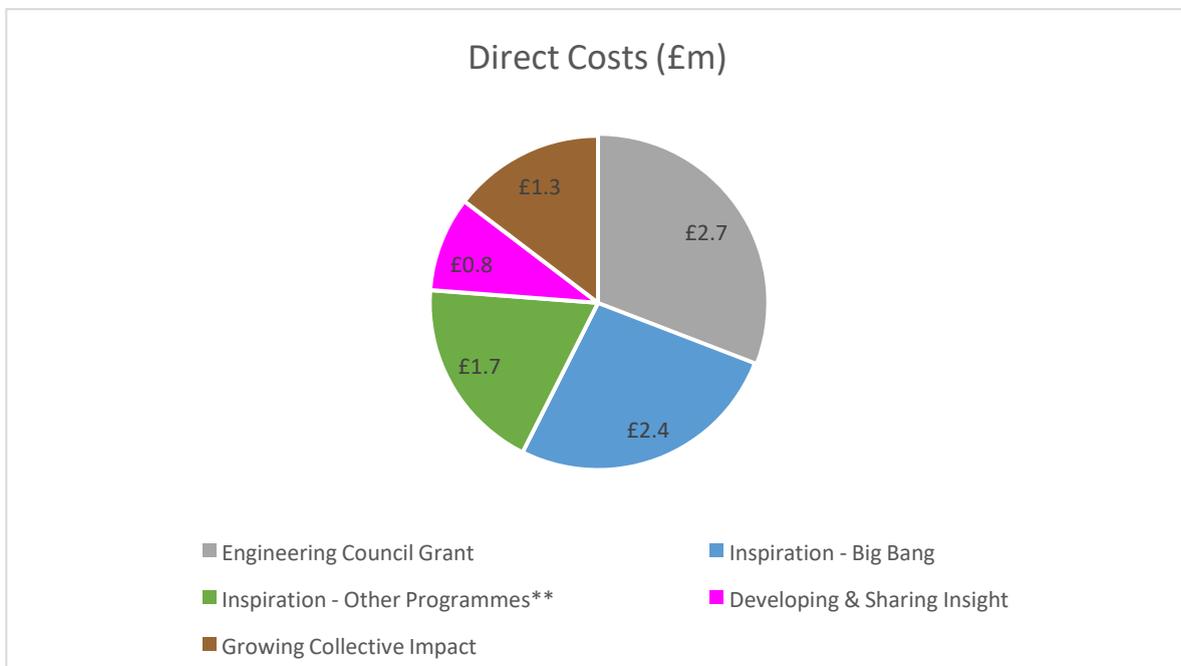
Please note that it is hard to make comparisons between income and expenditure for 2019/20 and the 2020/21 business years because the 2019/20 business year was exceptional for several reasons – we ran a 17 month business year, to enable us to adjust to a year end in August, because of the impact of the pandemic in 2020 and also an office move.

Our largest programme is the Big Bang which in 2020/21, comprised the Big Bang Digital, the Big Bang Competition, and Big Bang at School events. EngineeringUK has subsidised these events since their inception. The *net* cost for the 12-month period is £0.5M. The 2020/21 actual revenue generated from sponsorship and fundraising for the Big Bang Programme originally forecast to be £1M, but was reduced upon deciding not to hold the Big Bang Fair in person, and the actual revenue was £0.5M.

Premises costs were lower than budget due to under-occupation as we spent most of the year working from home. We only spent £0.3M, as compared with £0.5M the previous financial year, but this was more to do with the prior year covering 17 months. A provision of £0.2m for any dilapidation costs remains from our former premises in the Woolgate Exchange and our current premises on Lower Thames Street.



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



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

Balance Sheet and cash flow

Group reserves and net assets increased during the year by £0.3M (following a £0.3M increase in 2019/20). Total funds at 31 August 2021 were £3.9m, of which none was restricted. Group cash increased by £0.6m to £5.2m, while the value of investments increased by £0.3m to £1.8m.

Investment policy

There are no restrictions on the Charity's power to invest, and the investment return required by our Investment Policy is that we should achieve inflation (CPI) +4% over the long term (5+ years). Investments are allocated to specific funds within agreed asset allocation ranges, and their performance is regularly reviewed against appropriate benchmarks.

Subsidiaries

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

Reserves policy

EngineeringUK maintains reserves for the following reasons:

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

The Board has determined that the company should have between £1.5m and £2.5m in "free" reserves as represented by the General Fund. Increased economic uncertainty due to the pandemic is mitigated by holding reserves of £3.9m, above the reserve policy range. This also enables us to take the risk associated with planning for the face to face Big Bang Fair in the summer of 2022.

The reserves position is set out below:

£000	31 August 2021	31 August 2020
General Fund	3,544	3,238
Designated Funds:		
Grant Offers Fund		
Fixed Assets Fund	364	414
Programme Growth Fund		
Total Designated Funds	364	414
Total Funds	3,908	3,652

Risk management, principal risks and uncertainties

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

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

Engineering UK's risk appetite varies with the area of activity as follows:

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

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

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

- Data breach or lack of compliance
- Impact/reach reduced because new activities do not work as hoped
- Insufficient staff capacity/expertise
- Loss of critical personnel
- Schools less likely to engage in STEM outreach.

Note that the two risks relating to personnel were not on the risk register last year and reflect that, like many other organisations, we had few departures in the first year of the pandemic and then a rise in the summer 2021, at a time when we were also seeking to recruit to new roles. We also have a new Director of Finance and Corporate Services joining in January 2022 and our current Director has not been working since July 2021 due to ill health. While we are aware of these risks, we are pleased with recent appointments we have made to address them.

Statement of trustees' responsibilities

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;

- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

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

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

Information to Auditor

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

Malcolm Brinded
Chairman

Approved by the Board on 6 December 2021 and signed on its behalf

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

Opinion

We have audited the financial statements of The Engineering and Technology Board (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 August 2021 which comprise the consolidated statement of financial activities, the group and parent charitable company balance sheets, the consolidated statement of cash flows and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 August 2021 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulation 2006 (as amended).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on The Engineering and Technology Board's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other Information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

- We have not received all the information and explanations we require for our audit.

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

Capability of the audit in detecting irregularities

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

- We enquired of management and the audit and risk committee, which included obtaining and reviewing supporting documentation, concerning the group's policies and procedures relating to:
 - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;

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

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Use of our report

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

Judith Miller (Senior statutory auditor)

24 January 2022

for and on behalf of Sayer Vincent LLP, Statutory Auditor

Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

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

**Consolidated Statement of Financial Activities (incorporating an Income and Expenditure Account)
for the year ended 31 August 2021**

	Note	Year ended 31 August 2021			17 months ended 31 August 2020		
		Unrestricted Funds £000	Restricted Funds £000	Total Funds £000	Unrestricted Funds £000	Restricted Funds £000	Total Funds £000
Income and endowments from:							
Charitable activities	2	8,108	729	8,837	12,113	1,190	13,303
Other trading activities	3	2	-	2	61	-	61
Investments	5	32	-	32	56	-	56
Total		8,142	729	8,871	12,230	1,190	13,420
Expenditure on:							
Raising funds	6	-	-	-	9	-	9
Grants payable in furtherance of the charity's objects	10	2,745	-	2,745	4,090	-	4,090
The Big Bang Programme		1,603	95	1,698	3,112	115	3,227
Other programmes		1,284	634	1,918	1,722	1,075	2,797
Promoting the benefit of engineering and engineering careers		2,134	-	2,134	2,525	-	2,525
Business and Industry engagement		397	-	397	549	-	549
Charitable activities		8,163	729	8,892	11,998	1,190	13,188
Total	6	8,163	729	8,892	12,007	1,190	13,197
Total income less expenditure excluding investment gains/(losses)		(21)	-	(21)	223	-	223
Net gains on investments	11	277	-	277	67	-	67
Net movement in funds		256	-	256	290	-	290
Reconciliation of funds:							
Total funds brought forward		3,652	-	3,652	3,362	-	3,362
Total funds carried forward	19	3,908	-	3,908	3,652	-	3,652

All transactions arose from continuing activities.

All gains and losses are included above.

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

Consolidated and Company Balance Sheets as at 31 August 2021

		Group		Company	
	Note	31 August 2021 £000	31 August 2020 £000	31 August 2021 £000	31 August 2020 £000
Fixed Assets					
Intangible assets	12	60	73	60	73
Tangible assets	13	305	342	305	342
Investments	11	1,750	1,473	1,750	1,473
		<u>2,115</u>	<u>1,888</u>	<u>2,115</u>	<u>1,888</u>
Current Assets					
Debtors and prepayments	15	1,379	1,824	1,328	1,962
Deposits and cash		5,189	4,577	4,968	4,105
		<u>6,568</u>	<u>6,401</u>	<u>6,296</u>	<u>6,067</u>
Current Liabilities					
Amounts falling due within one year					
Creditors	16	(1,324)	(1,064)	(1,241)	(1,000)
Income in advance	17	(3,451)	(3,573)	(3,262)	(3,346)
		<u>(4,775)</u>	<u>(4,637)</u>	<u>(4,503)</u>	<u>(4,346)</u>
Net Current Assets		<u>1,793</u>	<u>1,764</u>	<u>1,793</u>	<u>1,721</u>
Total Net Assets		<u><u>3,908</u></u>	<u><u>3,652</u></u>	<u><u>3,908</u></u>	<u><u>3,609</u></u>
Unrestricted funds					
General		3,544	3,238	3,544	3,195
Designated		364	414	364	414
Total unrestricted funds	19	<u>3,908</u>	<u>3,652</u>	<u>3,908</u>	<u>3,609</u>
Total funds		<u><u>3,908</u></u>	<u><u>3,652</u></u>	<u><u>3,908</u></u>	<u><u>3,609</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 6 December 2021

Malcolm Brinded
Chairman of the Board

Rachel White
Chair of the Audit Committee

Consolidated Cash Flow Statement for the year ended 31 August 2021

CONSOLIDATED CASH FLOW STATEMENT		Year ended 31 August 2021	17 months ended 31 August 2020
	Note	£000	£000
Cash flows from operating activities:			
Net cash provided by operating activities		596	2,327
Cash flows from investing activities:			
Dividends and interest	5	32	56
Purchase of property, plant and equipment and intangibles		(16)	(352)
Net cash provided by / (used in) investing activities		16	(296)
Change in cash and cash equivalents in the year		612	2,031
Cash and cash equivalents at 1 September		4,577	2,546
Cash and cash equivalents at 31 August		5,189	4,577
RECONCILIATION OF NET INCOME / (EXPENDITURE) TO NET CASH PROVIDED BY OPERATING ACTIVITIES		Year ended 31 August 2021	17 months ended 31 August 2020
		£000	£000
Net income/(expenditure) for the reporting period (as per the statement of financial activities)		256	290
Adjustments for:			
Depreciation and amortisation charges		66	131
(Gains) on investments		(277)	(67)
Dividends and interest		(32)	(56)
Decrease in debtors		445	5,276
Increase / (Decrease) in creditors		260	(530)
(Decrease) in income in advance		(122)	(2,717)
Net cash provided by operating activities		596	2,327

Notes to the financial statements for the year ended 31 August 2021

1. STATEMENT OF ACCOUNTING POLICIES**1.1 Basis of preparation**

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

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

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

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

1.2 Company status

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

1.3 Group financial statements

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

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

1.4 Going concern

At 31 August 2021 EngineeringUK holds free reserves of £3.9m. The trustees consider this to be sufficient to manage the increased economic uncertainty in 2021/22 due to the pandemic. The trustees consider there to be no material uncertainties about the charity's ability to continue as a going concern for at least a year to November 2022.

1.5 Income

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

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

1.6 Investment Income

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

Notes to the financial statements for the year ended 31 August 2021

1. STATEMENT OF ACCOUNTING POLICIES - continued

1.7 Expenditure

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

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

1.8 Grants payable

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

1.9 Pension Costs

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

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

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

1.10 Tangible Fixed Assets and Depreciation

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

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

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

1.11 Intangible Fixed Assets and Amortisation

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

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

Notes to the financial statements for the year ended 31 August 2021

1. STATEMENT OF ACCOUNTING POLICIES - continued**1.12 Operating Leases**

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

1.13 Value Added Tax

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

1.14 Funds

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

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

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

1.15 Financial instruments

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

1.16 Investments**Listed investments**

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

Investments in subsidiaries

Investments in subsidiaries are at cost.

1.17 Cash at bank and in hand

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

1.18 Creditors and provisions

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

Notes to the financial statements for the year ended 31 August 2021

2. INCOME FROM CHARITABLE ACTIVITIES

	Year ended 31 August 2021			17 months ended 31 August 2020		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	£000	£000	£000	£000	£000	£000
EC Registration fees	7,381	-	7,381	10,481	-	10,481
Network Member fees	277	-	277	392	-	392
Grants for projects	445	729	1,174	931	1,190	2,121
Other income	5	-	5	309	-	309
	<u>8,108</u>	<u>729</u>	<u>8,837</u>	<u>12,113</u>	<u>1,190</u>	<u>13,303</u>

3. NET INCOME FROM TRADING ACTIVITIES - SCENTA LIMITED

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

	Year ended 31 August 2021	17 months ended 31 August 2020
	£000	£000
Turnover	2	61
Cost of Sales and Administration Charge from EngineeringUK	(5)	(9)
Gross Profit	<u>(3)</u>	<u>52</u>
Other Administration Costs	3	(18)
Gift Aid payment	(34)	(17)
Profit Before Taxation	<u>(34)</u>	<u>17</u>
Taxation	-	-
Profit after taxation	<u>(34)</u>	<u>17</u>
Income included by EngineeringUK (company)		
Gift Aid payment	34	17
Cost of Sales and Administration Charge exclusive of VAT	5	9
	<u>39</u>	<u>26</u>

4. BIG BANG EDUCATION CIC

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

	Year end 31 August 2021	17 months ended 31 August 2020
	£000	£000
Turnover (External)	540	1,046
Contribution from EngineeringUK	544	1,253
Cost of Sales	(714)	(1,796)
Gross Profit	<u>370</u>	<u>503</u>
Administration Costs	(370)	(503)
Profit Before Taxation	-	-
Taxation	-	-
Profit after taxation	<u>-</u>	<u>-</u>

Notes to the financial statements for the year ended 31 August 2021

5. INVESTMENT INCOME	Year ended 31 August 2021	17 months ended 31 August 2020
	£000	£000
Bank Interest Receivable	-	21
Other Investment Income	32	35
Total Investment Income	32	56

The investment income arises from investments in UK investment funds.

6a. CHARITABLE EXPENDITURE (Current year)

Analysis of expenditure on charitable activities

	Activities undertaken directly	Grant funding of activities	Direct staff costs	Support costs	Total costs
	£000	£000	£000	£000	£000
Grant to Engineering Council	-	2,745	-	-	2,745
The Big Bang Programme	718	-	543	437	1,698
Other programmes	712	1	731	474	1,918
Promoting benefit of engineering and engineering careers	745	-	851	538	2,134
Business and Industry engagement	-	-	234	163	397
Total expenditure on charitable activities	2,175	2,746	2,359	1,612	8,892
Raising funds	-	-	-	-	-
Total expenditure	2,175	2,746	2,359	1,612	8,892

Analysis of support costs

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

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

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

Notes to the financial statements for the year ended 31 August 2021

6b. CHARITABLE EXPENDITURE (Prior year)

Analysis of expenditure on charitable activities

	Activities undertaken directly	Grant funding of activities	Direct staff costs	Support costs	Total costs
17 months ended 31 August 2020					
	£000	£000	£000	£000	£000
Grant to Engineering Council	-	4,090	-	-	4,090
The Big Bang Programme	1,820	-	715	692	3,227
Other programmes	989	1	937	870	2,797
Promoting benefit of engineering and engineering careers	586	-	1,032	907	2,525
Business and Industry engagement	-	-	306	243	549
Total expenditure on charitable activities	3,395	4,091	2,990	2,712	13,188
Raising funds	9	-	-	-	9
Total expenditure	3,404	4,091	2,990	2,712	13,197

Analysis of support costs

	The Big Bang Programme	Other programmes	Promoting benefit of engineering and engineering careers	Business and Industry	Total costs	Basis of allocation
	£000	£000	£000	£000	£000	Support costs have been allocated in ratio to the average number of staff employed in each area.
Management	126	158	165	44	493	
Finance and HR	135	170	177	48	530	
Governance	151	190	198	53	592	
Premises and office services	243	305	318	85	951	
Depreciation	30	38	40	11	119	
Insurance	7	9	9	2	27	
Total	692	870	907	243	2,712	

Within support costs there is £1,463k of staff costs.

7. NET INCOME / (EXPENDITURE) FOR THE YEAR

This is stated after charging / (crediting):

	Group		Company	
	Year ended 31 August 2021	17 months ended 31 August 2020	Year ended 31 August 2021	17 months ended 31 August 2020
	£000	£000	£000	£000
Depreciation	53	114	53	114
Operating lease rentals payable:				
Property	191	496	191	496
Operating lease rentals receivable:				
Property	-	(236)	-	(236)
Auditor's remuneration:				
Audit fees	19	23	13	25
Other services	4	6	4	6

Notes to the financial statements for the year ended 31 August 2021

8. STAFF COSTS INCLUDING PENSIONS AND SOCIAL SECURITY COSTS

Group and parent:

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

	Year ended 31 August 2021	17 months ended 31 August 2020	Year ended 31 August 2021	17 months ended 31 August 2020
	No (FTE)		No (Total employed)	
Executive team	4	4	4	4
Staff in direct activities	36	38	38	38
Secretarial and administrative staff	11	7	12	10
Total Staff	51	49	54	52

The actual staff employed at period end was 55 (2020: 53)

Staff Costs	Year ended 31 August 2021	17 months ended 31 August 2020
	£000	£000
Salaries	2,527	3,206
Social security costs	281	367
Other pension costs	359	390
Other staff benefits	56	73
Temporary and agency staff	54	130
Termination and redundancy payments	23	16
Recruitment, training, travel and other expenses	81	271
	3,381	4,453

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

	Year ended 31 August 2021	17 months ended 31 August 2020
Exceeding £60,000 but not exceeding £70,000	5	6
Exceeding £70,000 but not exceeding £80,000	1	2
Exceeding £80,000 but not exceeding £90,000	0	2
Exceeding £90,000 but not exceeding £100,000	0	3
Exceeding £100,000 but not exceeding £110,000	1	0
Exceeding £120,000 but not exceeding £130,000	0	0
Exceeding £130,000 but not exceeding £140,000	1	0
Exceeding £140,000 but not exceeding £150,000	1	0
Exceeding £150,000 but not exceeding £160,000	0	0
Exceeding £160,000 but not exceeding £170,000	0	1
Exceeding £170,000 but not exceeding £180,000	0	1
Exceeding £180,000 but not exceeding £190,000	1	0
Exceeding £200,000 but not exceeding £210,000	0	1

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

The total employer contributions during the period to the defined contribution pension schemes relating to the higher paid staff above was £78,302 for 8 employees (2020: £110,445 for 16 employees). None of the higher paid employees above was a member of the Engineering Council Pension Scheme, a defined benefit scheme.

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

Notes to the financial statements for the year ended 31 August 2021

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

Key Management Personnel

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

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

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

	Year ended 31 August 2021	17 months ended 31 August 2020
	£000	£000
Salaries	590	696
Contractors	-	102
Staff benefits	57	5
Pension costs	59	67
Employer NI	75	86
	<u>781</u>	<u>956</u>

9. RELATED PARTY TRANSACTIONS

Engineering Council

Engineering Council (EC) is a related party to EngineeringUK. Under its supplemental charter of the 22 March 2002, EngineeringUK may appoint 7 of its 22 Board members. By its Regulations, EC has assigned all income from its registration fees to EngineeringUK. Changes to this regulation cannot be made without EngineeringUK's approval. The level of fee is determined by EngineeringUK. During the period ended 31 August 2021 the following transactions took place:

1. EC assigned all income derived from Registration fees, £7.3 million (2020: £10.5 million), to EngineeringUK.
2. EngineeringUK provided a grant to EC of £2.7 million (2020: £4.1 million) to fund its operations.
3. EngineeringUK and EC occupied the same floor at Lower Thames Street for the year. The lease is jointly held. Where possible each party paid directly for its own costs.
4. At 31 August 2021 EngineeringUK owed EC £15k (2020: £10k) relating to office service charges.

Trustees

Jacqui Ferguson is a trustee of EngineeringUK and also a Director of Wood Plc which is a corporate member of EngineeringUK under normal business terms. At 31 August 2021 there were no amounts outstanding to EngineeringUK from Wood Plc (2020: £Nil).

Colin Brown is a trustee of EngineeringUK and his wife is the Chair of STEM Learning Ltd.

STEM Learning Ltd paid £nil (2020: £146k) to EngineeringUK to sub-let office space during the period. At 31 August 2021, there were no outstanding amounts to EngineeringUK (2019: £Nil).

Big Bang Education CIC paid £nil (2020: £17k) to STEM Learning Ltd to deliver BBNM events. At 31 August 2021, there were no amounts outstanding to STEM Learning Ltd (2020: £Nil).

Malcom Brinded, the Chair of Trustees, made a £40k donation, excluding gift aid received of £10k, during the year. The donation is restricted to the Equality, Diversity and Inclusion (EDI) bursary scheme.

All related party transactions were on normal commercial terms.

Notes to the financial statements for the year ended 31 August 2021

9. RELATED PARTY TRANSACTIONS - continued**Expenses reimbursed to and paid on behalf of trustees**

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

	Year ended 31 August 2021	17 months ended 31 August 2020
	£	£
Travel and subsistence	-	1,366
Number of Trustees reimbursed for expenses or who had expenses paid on their behalf	-	3

10. GRANTS PAID

	Year ended 31 August 2021	17 months ended 31 August 2020
	£000	£000
Engineering Council	2,745	4,090

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

	31 August 2021	31 August 2020
	£000	£000
Market value at start of period	1,473	1,406
Realised/unrealised gain for the period	277	67
Market value at 31 August	<u>1,750</u>	<u>1,473</u>
Historical cost at 31 August	<u>1,000</u>	<u>1,000</u>

Notes to the financial statements for the year ended 31 August 2021

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

	Licence £000
Cost	
Brought forward 1 September	124
Acquisitions during period	-
Carried forward 31 August	<u>124</u>
Amortisation	
Brought forward 1 September	51
Charge for period	13
Carried forward 31 August	<u>64</u>
Net Book Value	
31 August 2021	<u>60</u>
31 August 2020	<u>73</u>

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

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

	Computer & office equipment £000	Refurbishment £000	Total £000
Cost			
Brought forward 1 September	364	794	1,158
Acquisitions during period	7	9	16
Disposals during period	(104)	(254)	(358)
Carried forward 31 August	<u>267</u>	<u>549</u>	<u>816</u>
Depreciation			
Brought forward 1 September	334	482	816
Charge for Period	19	34	53
Disposals during period	(104)	(254)	(358)
Carried forward 31 August	<u>249</u>	<u>262</u>	<u>511</u>
Net Book Value			
31 August 2021	<u>18</u>	<u>287</u>	<u>305</u>
31 August 2020	<u>30</u>	<u>312</u>	<u>342</u>

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

14. INVESTMENT IN SUBSIDIARY COMPANIES

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

Notes to the financial statements for the year ended 31 August 2021

15. DEBTORS AND PREPAYMENTS

	Group		Company	
	31 August 2021	31 August 2020	31 August 2021	31 August 2020
	£000	£000	£000	£000
Owed from Big Bang Education CIC	-	-	122	260
Other debtors	410	502	237	384
Registration fees due	905	1,241	905	1,241
Prepayments and accrued income	64	81	64	77
	1,379	1,824	1,328	1,962

Registration Fees Due represent fees yet to be paid over by Institutions for 2020/21. The fees are due from registrants on 1st January but, by agreement, are paid over by instalments over the year.

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	31 August 2021	31 August 2020	31 August 2021	31 August 2020
	£000	£000	£000	£000
Trade creditors	220	152	200	145
Scenta Limited	-	-	10	-
Pension scheme	29	29	29	29
Taxation, including Income Tax	76	111	76	82
Accruals	999	772	926	744
	1,324	1,064	1,241	1,000

17. INCOME IN ADVANCE

	Group		Company	
	31 August 2021	31 August 2020	31 August 2021	31 August 2020
	£000	£000	£000	£000
EC registration fees	2,890	3,110	2,890	3,110
Members fees received in advance	113	111	113	111
Project income in advance	448	352	259	125
	3,451	3,573	3,262	3,346

Movement in income in advance

	Group		Company	
	31 August 2021	31 August 2020	31 August 2021	31 August 2020
	£000	£000	£000	£000
Balance at the beginning of the year	3,573	6,290	3,346	6,264
Amount released to income in the year	(3,693)	(6,407)	(3,466)	(6,381)
Amount deferred in the year	3,571	3,690	3,382	3,463
Balance at the end of the year	3,451	3,573	3,262	3,346

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

Notes to the financial statements for the year ended 31 August 2021

19a. FUNDS (current year)

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

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

There were no restricted funds held at 31 August 2021. The fixed assets fund represents funds that have been spent on fixed assets, these fixed assets are necessary for the charity's continuing activities. The General Reserve represents free funds that are not designated for particular purposes.

The Other programmes restricted fund includes activities related to Tomorrow's Engineers Week, Code and website, Neon, Energy Quest, Robotics Challenge and a grant to develop our work on Equity, diversity and inclusion.

19b. FUNDS (prior year)

Movements in the Funds during the 17 month period are as follows:

	1 April 2019	Income for the period	Expenditure and other recognised gains/(loss)	Reserve transfers	31 August 2020
	£000	£000	£000	£000	£000
Restricted funds:					
The Big Bang Fair	-	115	(115)	-	-
Other programmes	-	1,075	(1,075)	-	-
Total restricted funds	-	1,190	(1,190)	-	-
General Fund	3,169	12,297	(11,876)	(352)	3,238
Designated Funds					
Fixed Assets Fund	193	-	(131)	352	414
Total Designated Fund	193	-	(131)	352	414
Total Funds	3,362	13,487	(13,197)	-	3,652

Notes to the financial statements for the year ended 31 August 2021

20. COMMITMENTS

Operating lease commitments payable as a lessee

The following payments will be made in respect of future minimum commitments on operating leases expiring:

	Company and Group	
	31 August 2021	31 August 2020
	Land and Buildings £000	Land and Buildings £000
Due within one year	220	110
Due within two to five years	294	514
Total due	<u>514</u>	<u>624</u>

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

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

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

	General funds £000s	Designated funds £000s	Total £000s
Fund balances at 31 August 2020 are represented by:			
Fixed assets and investments	1,474	414	1,888
Current assets	6,401	-	6,401
Current liabilities	(4,637)	-	(4,637)
Long term liabilities	-	-	-
Total net assets	<u>3,238</u>	<u>414</u>	<u>3,652</u>

Notes to the financial statements for the year ended 31 August 2021**23. PENSIONS****The Engineering Council Pension Scheme**

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

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

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

At 31 August there were no (2020 - £Nil) members of EngineeringUK staff contributing to the Scheme. EngineeringUK employer contributions during 2020/21 were nil (2019/20 - £Nil). Employer contributions in 2021/22 are expected to be £nil as the Scheme ceased to accrue benefits for remaining members in April 2012.

A full actuarial valuation of the fund is carried out every three years by The Engineering Council Pension Scheme actuary, with annual actuarial reports in the interim years. The last full valuation was as at 31 December 2018 within the report dated 19 March 2020. The report showed net assets of £327,000.

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

Stakeholder and Other Pension Schemes

EngineeringUK decided not to offer entry to the Engineering Council Pension Scheme to staff who were not already members prior to TUPE transfer and nominated a Stakeholder pension scheme. This is a defined contribution scheme operated by Scottish Widows and is not contracted out of the earnings related part of the State Pension Scheme. The employer contributes 10% of pensionable salary and the employee 5%. Employer contributions during the year were £359k (2020: £410k). These figures include contributions for the higher paid employees shown under note 8.

Governance and Management

EngineeringUK is the working name adopted by the Engineering and Technology Board.

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

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

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

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

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

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

Remuneration Policy

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

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

Trustee Recruitment, Appointment and Induction

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

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

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

Members of Board and Trustees	Method of Appointment	Committee Membership
The trustees serving during the year and since the year end were:		
Malcolm Brinded (Chair)	Board	N&RC
Toby King (Deputy Chair until 17 September 2021)	Board	ARIC (Chair) N&RC
Alice Bunn (from 13 July 2021)	IMechE	
Christopher Atkin	Ex officio	
Nicholas Baveystock	ICE	ARIC (from March 2021)
Colin Brown (until 30 June 2021)	IMechE	
Victor Chavez (until 17 September 2020)	Business & Industry College	N&RC
Jacqueline Ferguson	Board	TEC N&RC
Nigel Fine	IET	N&RC
Terence Fuller	Professional Engineering College	
Steven Rossiter (from 18 September 2021)	Board	
Erol Mustafa (from 18 September 2021)	Board	
Elaine Roberts	Board	N&RC (Chair)
Hayaatun Sillem	RAEng	
Sarah Spurgeon (until 17 September 2021)	Board	
Rachel Stringer	Board	ARIC (Chair from 17 September 2021)
Rashada Harry	Board	
Paul Hardaker (from 28 October 2020)	Professional Engineering College	
Adenike Folayan (from 3 March 2021)	Business & Industry College	TEC (independent)
Carl Ennis (from 13 July 2021)	Business & Industry College	

Executive Team

The Board delegates the day to day running of the company to the Executive Team, led by the Chief Executive. The Executive Team operates in accordance with the Strategy and Business Plan/Budget approved by the Board. Expenditure authority limits have been set by the ARIC. Up to date financial and operational reports are presented to the Board at each of its meetings.

Members of the Executive Team are:

Dr Hilary Leever, Chief Executive
Nicola Anson, Director of Finance and Corporate Services
Beth Elgood, Director of Communications
John Halton, Director of Business & Industry
Melanie Washington, Director of Engagement Projects.

Professional Advisors

Auditor

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

Bankers

HSBC BANK plc, 165 Fleet Street, London, EC4A 2DY

Lloyds Bank, 25 Gresham Street, London, EC2V 7HN

Insurance Brokers

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

Solicitors

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

Investment Advisors

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

Pension and Staff Benefits

3sixty Financial Limited, Media House, 4 Stratford Place, London, W1C 1AT