



UK

ENGINEERS

WITHOUT BORDERS

Company Number: 04856607
Charity Number: 1101849
Scottish Charity Number: SC043537

ENGINEERS WITHOUT BORDERS UK

**REPORT & FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2019**

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Charity Name: Engineers Without Borders UK
Other names used: Engineers Without Borders, EWB-UK, EWB
Charity registration number: 1101849
Scottish Charity registration number: SC043537
Company registration number: 04856607
Principal (and registered) addresses: The Foundry, 17 Oval Way, London, SE11 5RR

Trustees:

Jon Prichard, **Chair**, appointed January 2017
Nick Tyler, appointed October 2010, re-appointed December 2014 and January 2017
Stephen Lindlay-Jones, appointed June 2017
Laura Sergeant, **Treasurer**, appointed March 2018
Helena Barratt, appointed June 2018
Navjot Sawhney, elected June 2018
Martin Findlay, elected June 2018
Alex Wise, appointed June 2019

Others who served as Trustees during the period of this report:

Alec Leggat, resigned January 2019

Principal Staff:

Katie Cresswell-Maynard, Chief Executive, appointed September 2017, Secretary appointed September 2017.

Auditors: Mazars LLP, 90 Victoria Street, Bristol, BS1 6DP

Bank: CAF Bank, 25 Kings Hill Avenue, Kings Hill, West Malling, Kent, ME19 4JQ

Accountants: Charity Accounting Services Ltd
B108 Trident Business Centre
89 Bickersteth Road
London SW17 9SH

Trustees Report

Structure, Governance & Management

Governing document

The organisation is a private charitable company limited by guarantee, incorporated on 5 August 2003 and registered as a charity on 30 January 2004, and registered as a Scottish charity on 2 November 2012. The company was established under a Memorandum of Association, which established the objects and powers of the charitable company, and is governed under its Articles of Association. In the event of the company being wound up members are required to contribute an amount not exceeding £1. The Articles of Association were amended in March 2017 and the amended version now includes the provisions in the original Memorandum of Association.

Recruitment and appointment of the Board of Trustees

The Directors of the company are also charity Trustees for the purposes of charity law.

The Board consists of eight Trustees. Trustees serve an initial three-year term and are eligible to serve a maximum of two consecutive terms. The Trustees also decided that six of the eight Trustees would be appointed, with the remaining two elected from and by the Members of Engineers Without Borders UK at the Annual General Meeting. These decisions were incorporated into revised Articles of Association which were registered with Companies House and the Charity Commission in March 2016.

To maintain a broad mix of skills on the Board, the Chair works with the rest of the Board of Trustees to identify areas of weakness on the board and in the event of particular skills being lost due to retirements, individuals are approached and may be appointed to the Board of Trustees subject to approval by the membership.

New Trustees are given copies of relevant documentation and further relevant information by the Chief Executive. All Trustees attend an annual training day to ensure that they understand their role.

Organisational structure

Engineers Without Borders UK's Board of Trustees meets at least quarterly as a full board and regularly in committees. In the year in question 5 committees were convened to address the areas of finance, fundraising, security (of staff and volunteers working overseas), remuneration, and programme quality and ethics. The Trustees set the strategic direction and policies of the charity.

Day to day responsibility for the running of the organisation is delegated by the Board of Trustees to the Chief Executive. In turn, the Chief Executive leads a wider team of staff and

volunteers who together ensure that the charity's activities align with the direction set by the Board of Trustees.

Engineers Without Borders UK is a member of Engineers Without Borders International (EWB-I). EWB-I aspires to act as an umbrella organisation to national member associations who will remain independent in a federated structure. The Chief Executive of Engineers Without Borders UK is a member of the EWB-I Executive Committee.

Affiliated organisations

A number of local groups are affiliated to Engineers Without Borders through an agreement which allows the affiliate to represent Engineers Without Borders UK and carry out fundraising and other activities on its behalf. During the financial year 2018/19 the following universities had recognised affiliated member groups with Engineers Without Borders UK:

Aston University	University of Bristol
Cardiff University	University of Cambridge
Durham University	University of Exeter
Falmouth and Exeter Students' Union (FXU)	University of Glasgow
Loughborough University	University of Manchester
Manchester Metropolitan University	University of Nottingham
Newcastle University	University of Oxford
Nottingham Trent University	University of Sheffield
Queen Mary University of London	University of Southampton
Swansea University	University of Strathclyde
University College London	University of Warwick
University of Aberdeen	University of West of England
University of Birmingham	

These groups are separate organisations and are also governed by the rules and regulations of their respective students' unions or equivalent. However, they all exist to further the objects of Engineers Without Borders UK. Affiliates must be self-financing. As well as fundraising and delivering or contributing to Engineers Without Borders UK national initiatives the affiliated groups also organise local activities. Some contribute to UK based research projects related to the role that engineering can play in human development. The list of affiliated groups changes from time to time as new ones are formed and others become inactive.

Risk management

The Board of Trustees regularly review a risk and opportunities register which is used to highlight and monitor risks to the organisation. The Chair owns this document but delegates responsibility for maintaining it to the Chief Executive. If risks arise that cannot be mitigated using existing structures then the Board of Trustees will take appropriate action to address them.

Procedures are in place to ensure compliance with health and safety for volunteers undertaking work on behalf of Engineers Without Borders UK or attending Engineers Without Borders UK events. These procedures are periodically reviewed to ensure that they continue to meet the needs of the charity.

Brexit

The Board of Trustees have assessed and considered the risks associated with Brexit. At the current time the Board of Trustees consider the risks of Brexit to be of minimal impact to Engineers Without Borders UK. The Board of Trustees continue to monitor the situation in order to respond should the risk of Brexit to Engineers Without Borders UK change.

Objectives and activities

In April 2016, Engineers Without Borders UK set out a five-year strategy based around a vision of *'a world where people everywhere have equal access to the benefits of engineering'* and a mission to *'lead a movement that inspires, enables and influences global responsibility through engineering'*. The 2016-21 strategy sets out three strategic objectives:

- To **inspire** students, educators and engineers at all levels about the principles and potential of ethical, environmentally sound and culturally sensitive engineering
- To **enable** partner organisations, people and communities to use and develop their engineering capabilities to address global challenges
- To **influence** an engineering community to lead by example and make a positive contribution as responsible global citizens

Operationally, during the financial year 2018/19, Engineers Without Borders UK ran several initiatives. These initiatives can be broadly split between project work - which is mainly overseas and aims to contribute to the technical aspects of development projects, and our efforts to change the focus of engineering education to have more emphasis on a 'global dimension'. During the year in question Engineers Without Borders UK employed an average headcount of 7.5 staff. We undertook a strategic restructure of the organisation in order to better orient the organisation around the delivery of all our strategic objectives, this resulted in two redundancies. Alongside our staff, volunteers continue to play an important role in our organisation. During 2018/19, our staff were assisted by more than 80 dedicated volunteers who contributed hundreds of hours to the work of the national charity. Volunteers in our affiliated member groups

further contributed countless hours in their local area. We would not be able to achieve all that we do without their valuable efforts.

Statement of Public Benefit

When reviewing our activities, the Trustees have had regard to the Charity Commission guidance on public benefit. The Trustees ensure that the activities undertaken are in line with the charitable objects of Engineers Without Borders UK, and in doing so are satisfied that Engineers Without Borders UK's activities meet the requirements on demonstrating public benefit.

Achievements and Performance

Our work in education continues to gain credibility and reach larger audiences with close to 6,500 of the engineering undergraduates participating in our Engineering for People Design Challenge across 30 universities in the UK and Ireland. During 2018/19 we also began working with Engineers Without Borders South African and Engineers Without Borders USA to collaborate on the delivery of engineering education programmes in our three respective countries, broadening the reach of our education work internationally.

We established a partnership with the DfID supported Efficiency for Access coalition to launch a new programme focused on promoting innovation in electrical appliances for off/weak grid markets due for launch during 2019.

We delivered close to 20,000 hours on a pro bono basis to partners working overseas addressing the water, sanitation, energy and built environment needs of lower-income communities. We paused launching a new round of overseas project work whilst we survey our community. This will allow us to best match the available skills and expertise within our community to the needs of our partners in the future.

In addition to these ongoing initiatives, the organisation engages in shorter term opportunities to advance our objectives, for example, in 2018/19 this included our involvement in national public engagement campaigns, the Year of Engineering campaign run by the Department for Transport, to improve public perceptions of engineering. For this we were selected as the recipient charity for campaign's celebratory service at Westminster Abbey.

Our affiliated member groups organise many local activities and contribute to UK based projects focusing on engineering for human development.

Financial Review

Income exceeded expenditure during the year in question. This was due to the increase in funding from grants and sponsorship. At year end Unrestricted funds available to Engineers Without Borders UK had increased by 49% to £451,250 (2017/18 £303,754).

We raised a total income of £843,654 (2017/18 £739,166) including gifts in kind worth £93,352 (2017/18 £175,113). 36% of income was in Unrestricted funds (2017/18 58%).

Our expenditure for the year was £609,223 (2017/18 £698,630), including the value of gifts in kind. Costs for running the Engineering for People Design Challenge decreased to £173,280 (2016/17 £187,912), reflecting staff changes during 2018/19. The International Placement Programme decreased in cost to £198,457 (2017/18 £234,349), due to staff changes. Costs for Generating Voluntary Income increased to £1,673 (2017/18 £1,069). Expenditure on Community Areas decreased to £119,376 (2017/18 £159,491). Governance costs increased to £20,190 (2017/18 £6,902) due to legal fees provided in kind for data access requests.

Reserves

Engineers Without Borders UK is committed to the prudent use of funds that it receives as soon as is practical. However, to operate effectively, and with the confidence to plan for the future, requires adequate financial reserves.

The reserves policy is reviewed annually by the Board of Trustees and, for the year in question and the upcoming year, increased from the previous year to reflect the growth of the organisation.

Unrestricted reserves are to be in a range between £237k and £356k. This represents approximately 4-6 months operating costs, including staff salaries, based on the operating budget for financial year 2019-20.

Trustees will be informed if the level of unrestricted reserves falls below this range so that they can meet and take appropriate action.

At 31 March 2019 the total Unrestricted fund stood at £451,250, of which £137k is designated to activities in 2019-20 taking our unrestricted reserves to £314,250; within the range specified in the reserve policy.

Plans for Future Periods

Continuing to work towards the implementation of our 2016-21 strategy, current initiatives will be improved in the year ahead and expanded where appropriate. If, after analysis, it is felt that they do not adequately contribute towards any of our strategic objectives then they will be tailored appropriately or cancelled. This is to ensure that we are using the charity's resources to have the greatest impact against our objectives. Our educational programmes will reach wider audiences than ever before with a target of 7,000 students for the next iteration of the Engineering for People Design Challenge in the UK and Ireland and delivery in at least three universities in both South Africa and the USA. We also hope to explore and expand our working relationship with universities.

We are currently evaluating our international work and its impact towards the 2016-21 strategy. In the meantime we continue to work with our existing international partners.

We will launch a new website and undertake a digital strategy as part of our continued focus to improve our operations and improve membership engagement. We will continue to increase the number of members, and affiliated member groups, of the organisation. We will improve our corporate partnership offer to establish long term relationships that support the sustainability of the organisation and enable us to achieve our strategic objective to influence global responsibility in engineering practice.

We remain committed to being part of Engineers Without Borders International and will also strive to build strong working relationships with other Engineers Without Borders organisations around the world. We will continue to work closely with our colleagues in Australia, in South Africa and in the USA and we hope to further develop ties with other parts of our movement, in Europe and further afield.

Statement of Responsibilities of the Board of Trustees

The Trustees (who are also directors of Engineers Without Borders UK for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and FRS102.

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. 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 Statement Of Recommended Practice;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Investment (Scotland) Act 2005 and the Charity Accounts Regulations 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- they have taken all steps that they ought to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

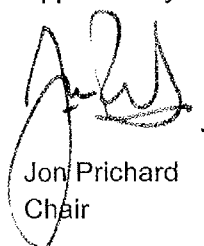
The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In preparing this report, the Trustees have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

Appointment of Auditors

Mazars LLP were appointed to complete a statutory audit of our annual report and accounts for the year ended 31 March 2018, in line with the requirements of the Charities Act 2006.

Approved by the Board of Trustees on 12 December 2019 and signed on its behalf by:-



Jon Prichard
Chair

Independent auditor's report to the members of Engineers Without Borders UK

Opinion

We have audited the financial statements of Engineers Without Borders UK (the 'charity') for the year ended 31 March 2019 which comprise the Statement of Financial Activities, Balance Sheet, Cash Flow Statement and 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 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 charity's affairs as at 31 March 2019 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

Basis for opinion

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

The impact of uncertainties due to Britain exiting the European Union on our audit

The Trustees' view on the impact of Brexit is disclosed on page 6.

The terms on which the United Kingdom may withdraw from the European Union are not clear, and it is therefore not currently possible to evaluate all the potential implications to the Charity's trade, customers, suppliers and the wider economy.

We considered the impact of Brexit on the Charity as part of our audit procedures, applying a standard firm wide approach in response to the uncertainty associated with the Charity's future prospects and performance.

However, no audit should be expected to predict the unknowable factors or all possible implications for the Charity and this is particularly the case in relation to Brexit.

Conclusions relating to going concern

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

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

Other information

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

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

We have nothing to report in this regard.

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' 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 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 and Charities Accounts (Scotland) Regulations 2006 requires us to report to you if, in our opinion:

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

Responsibilities of Trustees

As explained more fully in the trustees' responsibilities statement set out on page [X], the trustees (who are also the directors of the parent charity 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 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 charity 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 auditors 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.

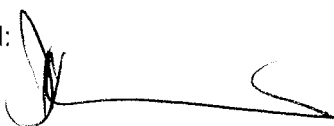
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee 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.

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

Use of the audit report

This report is made solely to the 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 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 company and the company's members as a body for our audit work, for this report, or for the opinions we have formed.

Signed:



Name:

Richard Bott (Senior Statutory Auditor)

for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor

90 Victoria Street, Bristol, BS1 6DP

Date:

19/11/19

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

Statement of Financial Activities for the year ended 31 March 2019

(incorporating an income and expenditure account)

	Notes	Unrestricted Funds £	Restricted funds £	Total 2019 £	Total 2018 £
Income and endowments from:					
Donations and legacies	3	246,422	532,740	779,162	685,372
Charitable activities		56,963	-	56,963	52,122
Other trading activities		474	5,980	6,454	575
Investment income		1,075	-	1,075	1,097
Total		304,934	538,720	843,654	739,166
Expenditure on:					
Raising funds	4	(1,673)	0	(1,673)	(1,069)
Charitable activities	4/9	(159,996)	(447,554)	(607,550)	(697,561)
Total		(161,669)	(447,554)	(609,223)	(698,630)
Net income/expenditure before losses on investments		143,265	91,166	234,431	40,536
Gain on investments	6	-	-	-	700
Transfer between funds	9	4,231	(4,231)	-	-
Net movement in funds		147,496	86,935	234,431	41,236
Reconciliation of funds					
Funds brought forward	10	303,754	64,555	368,309	327,073
Funds carried forward	9,10	451,250	151,490	602,740	368,309

Continuing operations

All incoming resources and resources expended derive from continuing activities.

Total recognised gains and losses

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


The notes on pages 18 to 27 form part of these financial statements.

Company Number: 04856607

Balance Sheet as at 31 March 2019

	Notes	2019 £	2018 £
Fixed Assets			
Tangible assets	5	2,924	7,041
Investments	6	35,314	34,238
Total fixed assets		38,238	41,279
Current Assets			
Debtors: Due in one year	7	5,589	6,090
Cash at bank and in hand		568,996	333,220
Total current assets		574,585	339,310
Creditors: Amounts falling due within one year	8	(10,083)	(12,280)
Net current assets		564,502	327,030
Total assets less current liabilities		602,740	368,309
Funds:			
Unrestricted Funds	10		
Unrestricted General Funds		314,250	303,754
Designated Funds		137,000	-
Total Unrestricted funds		451,250	303,754
Restricted Funds	9	151,490	64,555
Total funds		602,740	368,309

On behalf of the Trustees:



Jon Prichard
Chair



Laura Sergeant ACA
Treasurer

Approved and authorised for issue by the Board on 12 December 2019.

Cash Flow Statement for the year ended 31 March 2019

	2019 £	2018 £
Net cash (used by operating activities) - see below	235,776	105,388
<i>Cash flows from investing activities</i>		
Interest received		
Purchase of property, plant and equipment	-	(1,110)
Net cash (used in)/from investing activities	-	(1,110)
Change in cash and cash equivalents from activities in the year ended 31 March 2019	235,776	104,278
Cash and cash equivalents at 1 April 2018	333,220	228,942
Cash at bank and cash equivalents at 31 March 2019	568,996	333,220

Reconciliation of net (expenditure)/income to net cash flow from operating activities

Net income/(expenditure) as shown in the Statement of Financial Activities	234,431	41,236
<i>Adjustments for :-</i>		
Depreciation charges	4,116	4,162
Dividends, interest and rents from investments	(1,075)	(1,367)
Loss on investments	-	(700)
Decrease in debtors	501	62,101
(Decrease)/Increase in creditors	(2,197)	(44)
Net cash provided by/(used in) operating activities	235,776	105,388

Notes to the Financial Statements for the year to 31st March 2019

1. Accounting policies

Basis of Preparation

The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts. 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) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The charity constitutes a public benefit entity as defined by FRS 102.

Preparation of the Accounts on a Going Concern Basis

The financial statements are drawn up on the going concern basis which assumes Engineers Without Borders UK will continue for the foreseeable future. The Board have given due consideration to the working capital and cash flow requirements of Engineers Without Borders UK. The Board consider Engineers Without Borders UK's current and forecast cash resources to be sufficient to cover the working capital requirements of the charity for at least 12 months.

Incoming Resources

All incoming resources are included in the consolidated SOFA when the charity is legally entitled to them, receipt is virtually certain and the amount can be measured with sufficient reliability.

Grants Receivable

Grants are credited to the SOFA when receivable. Incoming resources are only deferred where there are time constraints imposed by the donor or if the funding is performance related. Where entitlement to grants receivable is dependent upon fulfilment of conditions within the charity's control, the incoming resources are recognised when there is sufficient evidence that conditions will be met.

Grants supporting the core activities of the charity and with no specific restrictions placed upon their use are included within voluntary income. Grants that have specific restrictions placed upon their use are included within incoming resources from charitable activities.

Donations and Legacies

Donations are recognised in the period in which they are received.

Restricted Income

Income received that has specific restrictions placed upon its use is credited to restricted income within the SOFA on a receivable basis. Unspent balances are carried forward within the relevant restricted fund.

Donated Goods, Services & Facilities

Goods, facilities and services donated for the charity's use, where the benefit is quantifiable and the goods or services would otherwise have had to be purchased, are recognised in the financial statements, as both income and expenditure, at a reasonable estimate of their value in the period in which they are donated.

Fundraising Events

Fundraising events income is included in voluntary income as the funds received are by nature donations rather than funds paid to gain a benefit. Event income to which Engineers Without Borders UK has a legal entitlement and that is being held by a third party agent is recognised on a receivable basis.

Resources Expended

Resources expended are recognised in the period in which they are incurred on an accruals basis. Resources expended include attributable VAT which cannot be recovered.

Costs of charitable activities include direct expenditure incurred through grants to volunteers and operational activities together with associated support costs.

The costs of generating funds relate to the costs incurred by the charitable company in raising funds for the charitable work.

Governance Costs

Governance costs are those associated with the governance arrangements relating to the strategic operations of the charity as opposed to those costs associated with general running of the charity, fundraising or charitable activity. These governance costs include external audit costs and trustee expenses.

Support Costs

Support costs include the central functions. They are recognised on an accruals basis and have been allocated to fundraising, charitable activities and governance on a basis consistent with the use of the resources.

Redundancy Costs

Engineers Without Borders UK's policy is to minimise the impact of organisational change on its employees whenever possible. Therefore redundancies and redundancy payments only occur when absolutely necessary due to a job no longer being required by the organisation to achieve our charitable objectives. When redundancy payments are applicable it will be statutory redundancy pay and as a result of a decision by the organisation to terminate employment before the normal retirement date or an individual's decision to accept voluntary redundancy.

Fund Accounting

Unrestricted funds are the funds that are available for use at the discretion of the trustees in furtherance of the general objectives of the charity. Trustees also designate funds where they feel relevant to ensure uninterrupted programme activities.

Restricted funds are used for specified purposes as laid down by the donor. Expenditure which meets these criteria is identified to the fund, together with a fair allocation of management and support costs where appropriate. Negative balances are only carried forward where the Trustees are confident of future cash flows for that fund.

Fixed Assets Investments

The charity only has financial investments of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at the transaction price and subsequently measured fair value through the Statement of Financial Activities.

Debtors

Debtors are measured at their recoverable amounts at the balance sheet date.

Creditors and provisions

All creditors and provisions arising from ongoing activities are included.

Financial instruments including cash and bank balances

Cash held by the charity is included at the amount actually held and counted at the year end. Bank balances, whether in credit or overdrawn, are shown at the amounts properly reconciled to the bank statements.

Pension Accounting

The company operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

Operating Lease

Rentals paid under operating leases are charged to income on a straight line basis over the lease term.

Transfers

Transfers to and from restricted funds are only completed if the donor has approved this transfer, and transfers to and from designated funds are subject to trustee approval.

Foreign Currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All bank accounts are held in pound sterling.

Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes. The charity is not registered for VAT, and VAT is accrued on expenditure items where payable.

Fixed Assets

Any purchase of property (or Gift in Kind) in excess of £100 that is expected to have a useful life of greater than one year is determined to be a Fixed Asset. The following classes of Fixed Asset are in use at Engineers Without Borders UK:

Asset Class	Fixed Useful Life
Furniture & fixtures:	5 years
Computer equipment:	4 years
Office equipment:	3 years

2. Turnover

Incoming resources from charitable activities and activities for generating funds comprises participant contributions to the cost of training courses and events run by Engineers Without Borders UK. Participation fees are charged to universities who take part in the EWB Challenge.

3. Donations and Legacies

	Unrestricted Funds £	Restricted Funds £	Total 2019 £	Total 2018 £
Branch Fundraising	114	-	114	255
Donations	25,999	39,152	65,151	66,204
Grants	9,000	146,069	155,069	149,067
Sponsorship	191,651	273,825	465,476	294,733
Gift in kind income	19,658	73,694	93,352	175,113
Voluntary Income	246,422	532,740	779,162	608,439

4. Expenditure

4a. Total Expenditure

	Direct Costs £	Support Costs £	Total 2019 £	Total 2018 £
Charitable Expenditure: Programme Areas				
EWB Challenge	141,240	32,040	173,280	187,912
Engineering Research	1,382	100	1,482	-
International Placement Program	164,802	33,655	198,457	234,349
Junior Fellowship	-	-	-	48,182
Outreach	70,107	16,993	87,100	60,725
Kenya project	7,148	517	7,665	-
Charitable Expenditure: Community Areas				
EWB Community	98,721	20,655	119,376	159,491
Charitable Expenditures:				
Governance	18,828	1,362	20,190	6,902
	502,228	105,322	607,550	697,561
Costs of Generating Voluntary Income				
Fundraising	1,561	112	1,673	575
Press and publications	-	-	-	494
Net Charitable Expenditure	503,789	105,434	609,223	698,630

4b. Audit Fee

Governance costs include the audit fee of £5,448 (2018; £5,190)

4c. Support Costs

	Total 2019 £	Total 2018 £	Allocation
Finance	31	14,295	Allocated in line with proportion of direct costs
IT and Website	30,258	58,792	Allocated in line with proportion of direct costs
Facilities	54,634	54,060	Allocated in line with proportion of direct costs
Insurance	6,712	6,054	Allocated in line with proportion of direct costs
CEO	13,799	15,170	Allocated in line with proportion of direct costs
Total	105,434	148,371	

4d. In Kind Expenditure

Included is the following expenditure that has been recognised in line with our gifts in kind accounting policy.

	Total 2019 £	Total 2018 £
Facilities	14,636	1,000
Training	-	1,700
IT	20,196	49,013
Consultancy	58,000	112,430
Publications	520	10,970
Total	93,352	175,113

5. Tangible fixed assets

	Fixtures & Fittings	Computer and Office Equipment	Totals
	£	£	£
Cost			
At 1 April 2018	7,943	10,864	18,807
Additions	-		
At 31 March 2019	7,943	10,864	18,807
Accumulated Depreciation			
At 1 April 2018	4,579	7,187	11,766
Charge for the year	1,587	2,530	4,117
At 31 March 2019	6,166	9,717	15,883
Net Book Value			
At 31 March 2019	1,777	1,147	2,924
At 31 March 2018	3,364	3,677	7,041

6. Fixed Asset Investments

	Listed Investments 2019 £	Listed Investments 2018 £
Market Value		
At 1 April 2018	34,238	32,171
Income from dividend	1,076	1,367
Revaluations	0	700
At 31 March 2019	35,314	34,238

	2019 £	2018 £
Analysed as follows:		
Rathbone Ethical Bond Fund managed by Rathbone:		
Bond	35,314	34,238

7. Debtors

	Total 2019 £	Total 2018 £
Trade debtors	-	-
Accrued income	-	-
Other debtors	5,989	6,090
Total debtors	5,989	6,090

8. Creditors – amounts falling due within one year

	Total 2019 £	Total 2018 £
Trade creditors	-	-
Taxation and social security	2,389	2,504
Accruals and others	7,694	9,776
Total	10,083	12,280

9. Restricted Funds

Fund	Funds as at 1 April 2018	Income	Expenditure	Transfers	Funds as at 31 March 2019
EWB Challenge	59,295	144,550	(136,854)	-	66,991
EWB Community	-	66,435	(86,026)	19,591	-
Engineering research	-	17,869	(1,382)	-	16,487
International Placement Programme	-	184,148	(160,326)	(23,822)	-
Kenya project	-	13,000	(7,147)	-	5,853
Outreach	5,260	112,718	(55,819)	-	62,159
Total restricted funds	64,555	538,720	(447,554)	(4,231)	151,490

Each fund relates to an ongoing initiative or area of work for which income has been specifically received:

EWB Challenge: An undergraduate design module based on real world problems encountered by a developing community, which is embedded in university engineering courses. Now referred to as the Engineering for People Design Challenge in marketing literature.

EWB Community: Income raised in relation to sustaining the member group structure and for organising conferences, events and seminars for the wider Engineers Without Borders Community.

Engineering Research Research into how global responsibility is embedded into engineering education and engineering practice to identify improvement that will benefit people and the planet.

International Placement Programme: Provides qualified volunteer engineers to enhance the engineering skills and knowledge of our partner organisations while also providing a valuable learning experience for the volunteer..

Kenya project A project in Kenya that is part of the international placement programme for which specific restricted funding was received.

Outreach: A series of workshops delivered by either staff or our volunteer ambassadors to school children. The workshops introduce participants to the role that engineering can play in human development.

At the year end a transfer is made from unrestricted reserves to restricted reserves that are in deficit, eliminating any fund deficits accumulated in the year.

10. Total funds reconciliation

Fund	Funds as at 1 April 2018	Income	Expenditure	Transfers	Funds as at 31 March 2019
	£	£	£	£	£
Restricted Funds	64,555	538,720	(447,554)	(4,231)	151,490
General Funds	303,754	304,934	(161,669)	(132,769)	314,250
Designated Funds	-	-	-	137,000	137,000
Total Unrestricted Funds	303,754	304,934	(161,669)	4,231	451,250
Total funds	368,309	843,654	(609,223)	-	602,740

The transfer of funds from general funds to designated funds is to support the delivery of planned activities committed to in 2019-20. These activities include: the launch of a new website to better support our work and engage our community, increasing our fundraising capacity to improve the long term sustainability of the organisation, our youth outreach work encouraging young people to choose engineering careers to make a difference and our international projects increasing the capacity of engineering organisations in resource constrained environments.

11. Analysis of net assets

	Unrestricted - General Funds £	Unrestricted - Designated Funds £	Total Unrestricted Funds £	Restrict ed Funds £	Total Funds £
Tangible fixed assets	2,924	-	2,924		2,924
Investment assets	35,314	-	35,314		35,314
Current assets	286,095	137,000	423,095	151,490	574,585
Creditors due in less than one year	(10,083)	-	(10,083)		(10,083)
Total net assets	314,250	137,000	451,250	151,490	602,740

12. Staff Costs

12a. Staff Costs

	Total 2019 £	Total 2018 £
Salaries and wages	236,494	258,740
Redundancy	2,540	-
Social security	23,448	20,324
Pension costs	10,334	10,495
Total	272,816	289,559

Pension costs relate to Engineers Without Borders UK's contributions to an employee Defined Contribution scheme.

Redundancy costs relate to statutory redundancy pay for an employee who had worked for the organisation for 2 years or more. Redundancy was made due to a strategic restructure of the team.

12b. Full time equivalent number of employees

Average headcount was 7.5.

No employees' emoluments exceeded £60,000 within the year.

12c. Key Management Personnel

Key management personnel include senior staff who manage the key activities of the Charity on a day to day basis. This is deemed to include the Chief Executive, the Head of Engagement and the Head of Engineering. The total employee benefits of key management personnel were £142,400 (2018; £142,608).

13. Pensions

The Charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Charity to the fund in respect of the year.

14. Other Financial Commitments

At 31 March 2019 Engineers Without Borders UK was committed to making the following payments under non-cancellable operating leases in the forthcoming financial year. Rentals paid under operating leases are charged to income on a straight line basis over the lease term.

	Total 2019 £	Total 2018 £
Operating leases which expire:		
Within 1 year	13,832	13,382
	<u>13,832</u>	<u>13,382</u>

During the year operating lease expenses £42,697 (2018: £41,711) was recognised in the accounts as expenditure.

15. Trustees Remuneration and Expenses

The Trustees are not remunerated for their work with Engineers Without Borders UK. During the year none (2018: 2) of the trustees were reimbursed for expenses incurred, a total of £NIL for travel and miscellaneous expenses incurred when attending trustee meetings and branch society meetings (2018; £162).

16. Related party transactions

There were no related party transactions during the year.

