

**REGISTERED COMPANY NUMBER: 03613056 (England and Wales)**  
**REGISTERED CHARITY NUMBER: 1071974**

**REPORT OF THE TRUSTEES AND  
AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018  
FOR  
ENGINEERS AGAINST POVERTY**

**Magma Audit LLP  
Magma House  
16 Davy Court  
Castle Mound Way  
Rugby  
CV23 0UZ**

**ENGINEERS AGAINST POVERTY**  
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**for the year ended 31 December 2018**

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**REPORT OF THE TRUSTEES**  
**for the year ended 31 December 2018**

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The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 December 2018. The trustees have adopted the provisions of 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).

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Governing document**

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

**REFERENCE AND ADMINISTRATIVE DETAILS**

**Registered Company number**

03613056 (England and Wales)

**Registered Charity number**

1071974

**Registered office**

Woolgate Exchange  
25 Basinghall Street  
London  
EC2V 5HA

**Trustees**

P Jowitt

J Downham

A Marshall

R Watermeyer

E Culbard

Professor G Ofori

Chairman

Treasurer

- resigned 5/9/2018

The Executive Board Members consist of Petter Matthews who is also the director of the charitable company for the purposes of company law and its trustees for the purposes of charity law.

**Company Secretary**

S Henderson

**Auditors**

Magma Audit LLP

Magma House

16 Davy Court

Castle Mound Way

Rugby

CV23 0UZ

**Bankers**

National Westminster Bank Plc

PO Box 113, Cavell House

2a Charing Cross Road

London

WC2H 0NN

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**REFERENCE AND ADMINISTRATIVE DETAILS**

**Principal officers**

The following people were employed by EAP during 2018:

Petter Matthews - Executive Director	
Jill Wells - Senior Policy Adviser	
Bernadine Fernz - Senior Policy Advisor	resigned 02 March 2018
John Hawkins - Head of Programmes	
Soren Kirk Jensen-Senior Policy Adviser	resigned 20 July 2018
Sean Henderson-Finance Officer	
Elizabeth Dykstra-McCarthy-Programmes Administrator	
Charlotte Broyd-Communications Manager	
Maria Prado - Senior Policy & Advocacy Adviser	appointed 05 November 2018

**FINANCIAL INSTRUMENTS**

The principal financial instruments of the charity comprise bank balances, other receivables and other payables. The main purpose of these instruments is to raise funds for the charity's operations and to finance its continuing operations. Liquidity risk is managed by the use of a bank balance along with efficient monitoring of cash flows to ensure there are sufficient funds to meet liabilities.

**Management of major risks**

The trustees retain responsibility for a system of internal controls that are designed to manage major risks. These systems provide reasonable but not absolute assurance against inappropriate or ineffective use of resources and against the risk of errors or fraud. The trustees delegate authority to the Executive Director to conduct an annual review of the major strategic and operational risks that Engineers Against Poverty (EAP) faces and the ways in which they are being monitored, managed and mitigated. The outcomes of this review are reported to the trustees by the Executive Director and changes in policy are made where necessary. The trustees are satisfied with the systems in place to monitor, manage and mitigate EAP's exposure to major risks.

**OBJECTIVES AND ACTIVITIES**

**Objects**

The objects of the Charity are for the relief of poverty in particular by assisting in the provision of engineering support for projects and programmes for the relief of poverty anywhere in the world.

**Our approach**

Our goal is to scale-up our influence on global infrastructure policy and practice to promote sustainable social, climate and economic impacts that contribute towards the elimination of poverty.

Our goal is centred around three areas of work, to:

- Improve infrastructure governance and public investment management through increased transparency, participation and accountability
- Foster social equity and inclusive growth through fair opportunities for local enterprises as well as decent jobs and working conditions
- Mitigate the impact of climate change on the poor and vulnerable through sustainable and resilient infrastructure

**How we achieve our goal**

We achieve our goal by producing innovative knowledge products. For the most part these are concise policy and practice briefings which draw on our existing and new research and provide evidence, analysis and policy and/or practice recommendations.

Our knowledge products are core to our advocacy strategy which sees that we act as a trusted adviser to governments, international institutions, the private sector and civil society and that we facilitate multi-stakeholder partnerships to build capacity in the sector.

**Policies**

The trustees are responsible for establishing the policies that guide the work of the Charity. These policies are designed to make the most effective and efficient use of the resources at its disposal. They are also designed to ensure that EAP meets its obligations to its project partners, corporate and individual supporters and staff. Responsibility for implementing these policies on a day-to-day basis is delegated to the Executive Director who reports to the trustees on a regular basis.

**ENGINEERS AGAINST POVERTY**  
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**for the year ended 31 December 2018**

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**Restrictions**

There are no restrictions in the governing documents as to how Engineers Against Poverty may operate.

**Investment Powers**

There are no powers to make investments other than in bank accounts and there is no intention to build upon investment fund.

**Charitable Contributions**

All programme expenditure is for charitable purposes, but no direct contributions for charitable purposes have been made.

**PUBLIC BENEFIT**

The trustees have noted the duty in section 4 of the Charities Act 2006 and the guidance of the Charity Commission with regard to public benefit. All our activities are for the public benefit, but we highlight in particular:

Our promotion of transparency and accountability in infrastructure investment benefits a broad section of the public. The benefits are realised through obtaining better value from public investment and delivering better quality infrastructure and services. All those who pay taxes and use public services are likely to benefit.

Our policy work directly influences high-level decision makers in governments and international agencies. Because of our advice public policy is more closely aligned with the needs of poor and marginalised people.

Our capacity building support strengthens institutions and empowers individuals. Institutions become more effective and individuals are better able to secure their rights and realise their potential.

Our outreach work informs and empowers people. It provides practical solutions to the problems of poverty aimed at policy makers and practitioners. It also provides data that is useful to researchers and can contribute to better public policy.

**ACHIEVEMENTS AND PERFORMANCES**

**Achievements and Performance**

**EAP celebrates 20th Anniversary and launches new strategy**

To celebrate 20 years since its establishment, in 2018 EAP joined together 100 key influencers from government, industry, civil society and academia at a conference focussed on promoting infrastructure policy and practice to alleviate poverty. Throughout the day innovations and inspiring stories were shared and debate ensued and speakers included the likes of H.E. Yama Yari, Minister of Public Works, Afghanistan, Rachel Turner, Director for Economic Development, DFID and Hayaatun Sillem, Chief Executive, Royal Academy of Engineering.

At the Anniversary EAP launched its new Strategy 2018 - 2022 reflecting our new mission and vision which focusses on the broader theme of 'promoting infrastructure policy and practice' to meet major issues emerging from a greater global appetite for infrastructure investment and delivery. Under this theme, our research and influencing looks at three areas: Infrastructure governance and public investment management; Social equity and inclusive growth; and Sustainable and resilient infrastructure. The Strategy and Anniversary were promoted on a new website launched by EAP in 2018.

**Infrastructure governance and public investment management**

**CoST - the Infrastructure Transparency Initiative**

EAP continued to host the International Secretariat of CoST - the Infrastructure Transparency Initiative (CoST), the leading global initiative improving transparency and accountability in public infrastructure.

In 2018 CoST achieved many successes at the international and national level, a selection of which are outlined below. CoST member achievements:

- Information was disclosed on approximately 9895 projects in accordance with the CoST Infrastructure Data Standard (CoST IDS), a 33% increase on 2017. This brings the cumulative total to 25,453 since July 2015.
- Panama established a legal mandate on data disclosure in line with the CoST IDS, creating a catalyst for systematic change. Six CoST countries now have legal mandates on data disclosure.
- Online disclosure platforms were launched in Afghanistan, El Salvador, Costa Rica and Ukraine. These add to existing platforms operating in Honduras, Malawi, Guatemala and Thailand, all of which have had an influence in the augmentation of data disclosure seen by CoST in the past year.

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- CoST held its first Assurance Week in November, helping to raise awareness on the CoST assurance process and to clarify what it does and does not do. Five members launched their assurance reports at events which generated good media interest, with the CoST Afghanistan launch featuring the Chief Executive of Afghanistan, H.E Abdullah Abdullah.
- Governments action was taken on nine infrastructure projects to improve project outcomes, including road repairs in Ukraine and a new financial model for a road-toll system on Honduras' tourist corridor. More broadly, five sector reforms took place, such as in Afghanistan where a new design unit was established in the Ministry of Public Works

CoST International Secretariat achievements:

- CoST published its research report on Scotland and a conference-ready report on Lithuania as part of its case study series on the value of CoST in high-income countries.
- CoST raised its global profile at wide array of events including at a seminar of the G20 Infrastructure Working Group, OECD Integrity Week, Global Engineering Congress, LSBU Conference on Professionalism and Ethics in Construction, International Anti-Corruption Conference, World Bank annual meetings in Bali, International Open Data Conference and the OGP regional and international summit.
- CoST rolled out its new options for membership. Following this, two applications were submitted to CoST from a sub-national government and for the newly established category of 'affiliate member', demonstrating the value of a more flexible membership model.
- Funding was secured from the Foreign and Commonwealth Office South East Asia Prosperity Fund to support the Thailand programme and a pilot programme in Indonesia.

#### **ICED facility**

EAP is part of an Alliance, led by Price Waterhouse Coopers, which is delivering the Infrastructure and Cities for Economic Development (ICED) Facility for the Department for International Development (DFID). EAP provided strategic advice through the Alliance Directors Group and supported delivery of a range of work packages including: development of a construction capacity assessment framework, strategic advice for infrastructure programming in Lebanon, accelerating growth through urban infrastructure and planning interventions in Central Asian cities and scoping the potential support to urban and peri-urban land programmes in Ethiopia.

#### **Social equity and inclusive growth**

##### **Labour standards**

EAP continued its collaboration with the International Labour Organization to formulate policy ideas and recommendations for a fair construction sector in the Gulf Cooperation Council (GCC). As part of this collaboration, EAP published a White Paper which looks at addressing late or non-payment of wages and occupational safety and health issues affecting migrant construction workers in the region. In a second paper published later in the year, the viability of implementing innovative policies and actions used outside the region was explored. Author of both papers, Jill Wells presented this work at events in 2018 including at a UN conference in Geneva on access to justice in the UAE, the 20th Anniversary of EAP and at the LSBU Conference on Professionalism and Ethics in Construction.

##### **Education**

In 2018, EAP continued its work on the Royal Academy of Engineering's 'Africa Catalyst' programme, supporting two projects in Rwanda and Nigeria. In Rwanda EAP supported the Institute of Engineers Rwanda (IER) to expand on the internship programme it supported in the previous year, scaling up from working with 30 graduate engineers over three months, to 60 engineers over six months. More specifically, EAP supported monitoring and evaluation (M&E) to enable the programme to grow strategically and sustainably. Since 2018, all interns have reported that they are now employed. EAP is now working alongside the IER to further the scale up the programme to help more graduate engineers break into the sector and to tackle unemployment. In Nigeria EAP worked with the Nigerian Institution for Mechanical Engineers to provide M&E support to their engineering education programme which includes an engineering boot camp for 500 students, an internship programme and an innovation challenge. These programmes were designed according to the Nigerian job market, to increase employability as well as to build graduate entrepreneurship and innovation skills so they are better equipped to set up their own businesses.

##### **Support of organisations**

The work of EAP in 2018 would not have been possible without the tremendous support of a range of organisations including:

ARUP

CoST - the Infrastructure Transparency Initiative

Department for International Development

Hogan Lovells

Institution of Civil Engineers

International Labour Organization

Open Society Foundation

PricewaterhouseCoopers (PwC)

Royal Academy of Engineering

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University of the Witwatersrand  
United Nations Development Programme  
Institution of Civil Engineers  
Institution of Chemical Engineers  
World Bank

**Support of individuals**

The trustees express their sincere gratitude to all the individuals who have supported the Charity's work in 2018 but are too numerous to mention here.

**FINANCIAL REVIEW**

**Accounts**

The accounts for the year ended 31 December 2018 are shown in this annual report. The trustees consider that the reserves are sufficient to meet its needs and obligations. All funds are held on short term deposit.

**Unrestricted Fund**

The balance on unrestricted funds at 31 December 2018 was £634,856.

**Reserves**

The trustees have established a Reserves Policy that considers the level of reserves sufficient to protect the organisation and its charitable programme by providing time to adjust to changing financial circumstances. This limits the risk of disruption to the programme in the event of a shortfall in any of EAP's various sources of income, or an unexpected need for additional expenditure. At the year-end there were unrestricted funds of £634,856. Of this £445,000 is considered by the trustees to be held as reserves. This is equivalent to eight months operating cost which the trustees consider to be acceptable. £297,790 of unrestricted fund is considered to be free reserves which EAP will use to carry out its charitable objectives.

**STATEMENT OF TRUSTEES RESPONSIBILITIES**

The trustees (who are also the directors of Engineers Against Poverty for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- 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 which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 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 auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

**AUDITORS**

The auditors, Magma Audit LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the board of trustees on ..... 27/12/19 ..... and signed on its behalf by:

  
.....  
P Jowitt - Trustee

## REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF ENGINEERS AGAINST POVERTY

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### **Opinion**

We have audited the financial statements of Engineers Against Poverty (the 'charitable company') for the year ended 31 December 2018 which comprise the Statement of Financial Activities, the Statement of Financial Position, the Statement of Cash Flows 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 (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2018 and of its 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, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

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

### **Conclusions relating to going concern**

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

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company'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 Report of the Independent Auditors 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 Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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

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



**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
ENGINEERS AGAINST POVERTY**

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**Responsibilities of trustees**

As explained more fully in the Statement of Trustees Responsibilities, the trustees (who are also the directors of the 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 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 charitable company or to cease operations, or have no realistic alternative but to do so.

**Our responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Independent Auditors.

**Use of our report**

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

*Magma Audit LLP*

Richard Lodder (Senior Statutory Auditor)  
for and on behalf of Magma Audit LLP  
Magma House  
16 Davy Court  
Castle Mound Way  
Rugby  
CV23 0UZ

Date: .....

*27<sup>th</sup> September 2019*

**ENGINEERS AGAINST POVERTY**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
for the year ended 31 December 2018

	Notes	Unrestricted fund £	Restricted fund £	Total 2018 funds £	Total 2017 funds £
<b>INCOME AND ENDOWMENTS FROM</b>					
Donations and legacies	2	5,554	-	5,554	3,167
<b>Charitable activities</b>	4				
Grant from other institutions		11,500	15,000	26,500	16,993
Consultancy fees		110,040	-	110,040	178,951
CoST Charity		483,690	50,284	533,974	614,412
Investment income	3	449	-	449	56
<b>Total</b>		<b>611,233</b>	<b>65,284</b>	<b>676,517</b>	<b>813,579</b>
<b>EXPENDITURE ON</b>					
Raising funds	5	16,321	-	16,321	16,875
<b>Charitable activities</b>	6				
Resources expended		527,856	55,611	583,467	640,947
Other		23,990	-	23,990	24,634
<b>Total</b>		<b>568,167</b>	<b>55,611</b>	<b>623,778</b>	<b>682,456</b>
<b>NET INCOME</b>		<b>43,066</b>	<b>9,673</b>	<b>52,739</b>	<b>131,123</b>
<b>RECONCILIATION OF FUNDS</b>					
<b>Total funds brought forward</b>		<b>591,790</b>	<b>10,280</b>	<b>602,070</b>	<b>470,947</b>
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>634,856</b>	<b>19,953</b>	<b>654,809</b>	<b>602,070</b>


The notes form part of these financial statements

**ENGINEERS AGAINST POVERTY**  
**STATEMENT OF FINANCIAL POSITION**  
**At 31 December 2018**

	Notes	Unrestricted fund £	Restricted fund £	2018 Total funds £	2017 Total funds £
<b>FIXED ASSETS</b>					
Tangible assets	11	2,576	-	2,576	4,268
<b>CURRENT ASSETS</b>					
Debtors	12	116,926	15,000	131,926	239,854
Cash in hand		<u>582,421</u>	<u>4,953</u>	<u>587,374</u>	<u>438,613</u>
		699,347	19,953	719,300	678,467
<b>CREDITORS</b>					
Amounts falling due within one year	13	(67,067)	-	(67,067)	(80,665)
<b>NET CURRENT ASSETS</b>					
		<u>632,280</u>	<u>19,953</u>	<u>652,233</u>	<u>597,802</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>					
		<u>634,856</u>	<u>19,953</u>	<u>654,809</u>	602,070
<b>NET ASSETS</b>					
		<u>634,856</u>	<u>19,953</u>	<u>654,809</u>	<u>602,070</u>
<b>FUNDS</b>					
Unrestricted funds	15			634,856	591,790
Restricted funds				<u>19,953</u>	<u>10,280</u>
<b>TOTAL FUNDS</b>					
				<u>654,809</u>	<u>602,070</u>

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to charitable small companies.

The financial statements were approved by the Board of Trustees on 27/9/19 and were signed on its behalf by:

  
 P Jowitt -Trustee

  
 J Downham -Trustee

The notes form part of these financial statements

**ENGINEERS AGAINST POVERTY**  
**STATEMENT OF CASH FLOWS**  
**for the year ended 31 December 2018**

	Notes	2018 £	2017 £
<b>Cash flows from operating activities:</b>			
Cash generated from operations	1	<u>148,312</u>	<u>197,360</u>
<b>Net cash provided by (used in) operating activities</b>		<u>148,312</u>	<u>197,360</u>
<b>Cash flows from investing activities:</b>			
Interest received		<u>449</u>	<u>56</u>
<b>Net cash provided by (used in) investing activities</b>		<u>449</u>	<u>56</u>
<b>Change in cash and cash equivalents in the reporting period</b>			
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<u>148,761</u>	<u>197,416</u>
<b>Cash and cash equivalents at the end of the reporting period</b>		<u>587,374</u>	<u>438,613</u>

The notes form part of these financial statements

**ENGINEERS AGAINST POVERTY**  
**NOTES TO THE STATEMENT OF CASH FLOWS**  
**for the year ended 31 December 2018**

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<b>1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
<b>Net income for the reporting period (as per the statement of financial activities)</b>	<b>52,739</b>	131,123
<b>Adjustments for:</b>		
Depreciation charges	<b>1,230</b>	2,102
Loss on disposal of fixed assets	<b>462</b>	-
Interest received	<b>(449)</b>	(56)
Decrease in debtors	<b>107,928</b>	51,434
(Decrease)/increase in creditors	<b><u>(13,598)</u></b>	<u>12,757</u>
<b>Net cash provided by (used in) operating activities</b>	<b><u>148,312</u></b>	<u>197,360</u>

**ENGINEERS AGAINST POVERTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 31 December 2018**

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**1. ACCOUNTING POLICIES**

**Company status**

The company is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

**Summary of significant accounting policies**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

**Basis of preparing the financial statements**

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities Act 2011 and the Companies Act 2006.

The presentational currency of the financial statements is sterling (£).

**Income**

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Donated services or facilities, which comprise donated services, are included in income at a valuation which is an estimate of the financial cost borne by the donor where such a cost is quantifiable and measurable. No income is recognised where there is no financial cost borne by a third party.

Consultancy income and income from The Construction Sector Transparency Initiative is recognised once work is completed, excluding value added tax.

Income tax recoverable in relation to donations received under Gift Aid or deed of covenant is recognised at the time of the donation.

**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 the use of resources. Support costs are those costs incurred directly in support of expenditure on the objects of the charitable company. Irrecoverable VAT is shown in the category of resources expended for which it was incurred.

Charitable activities include direct expenditure associated with providing the charitable services and support costs relating to those activities.

Other resources expended consist of governance costs which include those incurred in the governance of the charitable company and are primarily associated with constitutional and statutory requirements.

**Tangible fixed assets and depreciation**

Tangible fixed assets are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical costs includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using either a straight line or reducing balance method, as indicated below.

Depreciation is provided on the following basis:

Office equipment and website development	- Over 3 years
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The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

**ENGINEERS AGAINST POVERTY**  
**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**for the year ended 31 December 2018**

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**1. ACCOUNTING POLICIES - continued**

**Taxation**

The charity is exempt from corporation tax on its charitable activities.

**Fund accounting**

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donor's or which have been raised by the charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The charities restricted fund relates to an element of income received from The Construction Sector Transparency Initiative (CoST) of which is restricted to support CoST in achieving their objective of 'helping participating countries deliver better value from public infrastructure'.

**Foreign currencies**

At each year end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at the year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of financial activities.

**Pensions**

The charity contributes to the Director's defined contribution pension scheme. Contributions are charged to the Statement of Financial Activities as they become payable.

**Operating leases**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

**Debtors**

Basic financial assets, including trade and other debtors, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method, less any impairment.

**Cash and cash equivalents**

Cash and cash equivalents are represented by cash in hand, deposits held at call with financial institutions, and other short-term highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

**Creditors**

Basic financial liabilities, including trade and other creditors, loans from third parties and loans from related parties, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Such instruments are subsequently carried at amortised cost using the effective interest method, less any impairment.

**Financial instruments**

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in profit or loss.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

**ENGINEERS AGAINST POVERTY**  
**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
for the year ended 31 December 2018

**1. ACCOUNTING POLICIES - continued**

**Critical accounting estimates and assumptions**

The charity makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(i) Impairment of debtors

The charity makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, the trustees consider factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience.

**2. DONATIONS AND LEGACIES**

	2018 £	2017 £
Sponsored fundraising events	5,129	-
Donations	-	145
Appeals	425	298
Legacies	-	2,724
	<u>5,554</u>	<u>3,167</u>

**3. INVESTMENT INCOME**

	2018 £	2017 £
Interest receivable	<u>449</u>	<u>56</u>

**4. INCOME FROM CHARITABLE ACTIVITIES**

	2018 £	2017 £
Africa Catalyst Programme	11,500	16,993
Institution of Civil Engineers	15,000	-
Consultancy fees	110,040	178,951
CoST	533,974	614,412
	<u>670,514</u>	<u>810,356</u>

**5. RAISING FUNDS**

**Raising donations and legacies**

	2018 £	2017 £
Staff costs	<u>14,201</u>	<u>14,347</u>



**ENGINEERS AGAINST POVERTY**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
for the year ended 31 December 2018

**5. RAISING FUNDS - continued**

**Other trading activities**

	<b>2018</b>	2017
	£	£
Bank charges	<b>428</b>	426
Depreciation	<b>1,230</b>	2,102
	<b><u>1,658</u></b>	<u>2,528</u>

**Investment management costs**

	<b>2018</b>	2017
	£	£
Loss on disposal of assets	<b>462</b>	-
	<b><u>462</u></b>	<u>-</u>

Aggregate amounts	<b><u>16,321</u></b>	<u>16,875</u>
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**6. CHARITABLE ACTIVITIES COSTS**

All of the funds are unrestricted

	<b>Total Funds</b>	Total Funds
	<b>2018</b>	2017
	£	£
<b>Provision of charitable services:</b>		
Wages	<b>240,849</b>	295,598
Travel and subsistence	<b>5,899</b>	7,094
Consultancy costs	<b>189,799</b>	223,378
Support costs	<b>146,920</b>	114,877
	<b><u>583,467</u></b>	<u>640,947</u>

Analysis of support services is as follows:-

	<b>Total Funds</b>	Total Funds
	<b>2018</b>	2017
	£	£
Wages	<b>45,333</b>	38,143
Rent and other services	<b>48,238</b>	48,103
Insurance	<b>5,096</b>	3,790
Postage and stationery	<b>8,074</b>	1,369
Sundries	<b>21,839</b>	4,602
Subscriptions	<b>729</b>	937
IT and communications	<b>17,611</b>	17,933
	<b><u>146,920</u></b>	<u>114,877</u>

**ENGINEERS AGAINST POVERTY**  
**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**for the year ended 31 December 2018**

**7. SUPPORT COSTS**

	<b>Governance costs</b>
Other resources expended	<b>£ <u>24,044</u></b>

Support costs, included in the above, are as follows:

	<b>2018</b>		<b>2017</b>
	<b>Other resources expended</b>		<b>Total activities</b>
	<b>£</b>		<b>£</b>
Wages	<b>18,421</b>		18,380
Auditors remuneration	<b>5,623</b>		6,164
	<b><u>24,044</u></b>		<b><u>24,544</u></b>

**8. NET INCOME/(EXPENDITURE)**

Net income/(expenditure) is stated after charging/(crediting):

	<b>2018</b>		<b>2017</b>
	<b>£</b>		<b>£</b>
Auditors remuneration	<b>5,623</b>		6,164
Depreciation - owned assets	<b>1,229</b>		2,101
Deficit on disposal of fixed asset	<b>462</b>		-
Pension costs	<b>11,084</b>		13,744
Operating lease commitments	<b>48,238</b>		48,103

**9. TRUSTEES' REMUNERATION AND BENEFITS**

There were no trustees' remuneration or other benefits for the year ended 31 December 2018 nor for the year ended 31 December 2017.

**Trustees' expenses**

During the year, one trustee received reimbursement of expenses of £472 (2017: £781) for travel and other expenses.

**ENGINEERS AGAINST POVERTY**  
**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**for the year ended 31 December 2018**

**10. STAFF COSTS**

	<b>2018</b>	2017
	£	£
Wages and salaries	<u><b>273,471</b></u>	<u>328,325</u>

The average monthly number of employees during the year was as follows:

	<b>2018</b>	2017
Administration and directorate	<u>2</u>	<u>2</u>
Project Programme Officers	<u>5</u>	<u>6</u>
	<u><b>7</b></u>	<u>8</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	<b>2018</b>	2017
£70,001 - £80,000	<u>1</u>	<u>1</u>

**11. TANGIBLE FIXED ASSETS**

	<b>Website</b>	<b>Office</b>	<b>Totals</b>
	£	equipment	£
		£	
<b>COST</b>			
At 1 January 2018	2,393	10,669	13,062
Disposals	<u>-</u>	<u>(1,029)</u>	<u>(1,029)</u>
At 31 December 2018	<u>2,393</u>	<u>9,640</u>	<u>12,033</u>
<b>DEPRECIATION</b>			
At 1 January 2018	2,124	6,670	8,794
Charge for year	269	960	1,229
Eliminated on disposal	<u>-</u>	<u>(566)</u>	<u>(566)</u>
At 31 December 2018	<u>2,393</u>	<u>7,064</u>	<u>9,457</u>
<b>NET BOOK VALUE</b>			
At 31 December 2018	<u>-</u>	<u>2,576</u>	<u>2,576</u>
At 31 December 2017	<u>269</u>	<u>3,999</u>	<u>4,268</u>

**12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2018</b>	2017
	£	£
Trade debtors	40,463	20,263
Accrued income	74,625	205,225
Other debtors	1,456	-
Prepayments	<u>15,382</u>	<u>14,366</u>
	<u><b>131,926</b></u>	<u>239,854</u>

**ENGINEERS AGAINST POVERTY**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
for the year ended 31 December 2018

**13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2018	2017
	£	£
Trade creditors	26,396	37,770
VAT	5,030	1,198
Other creditors	2,566	14,371
Accruals and deferred income	<u>33,075</u>	<u>27,326</u>
	<u>67,067</u>	<u>80,665</u>

Within accruals and deferred income there is a deferred income balance of £2,000 (2017: £6,500) relating to the Africa Catalyst Programme.

**14. LEASING AGREEMENTS**

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2018	2017
	£	£
Within one year	<u>41,379</u>	<u>41,379</u>

**15. MOVEMENT IN FUNDS**

	At 1/1/18	Net movement in funds	At 31/12/18
	£	£	£
<b>Unrestricted funds</b>			
General fund	591,790	43,066	634,856
<b>Restricted funds</b>			
Restricted	10,280	9,673	19,953
	<u>602,070</u>	<u>52,739</u>	<u>654,809</u>

Net movement in funds, included in the above are as follows:

	Incoming resources	Resources expended	Movement in funds
	£	£	£
<b>Unrestricted funds</b>			
General fund	611,233	(568,167)	43,066
<b>Restricted funds</b>			
Restricted	65,284	(55,611)	9,673
	<u>676,517</u>	<u>(623,778)</u>	<u>52,739</u>

**ENGINEERS AGAINST POVERTY**  
**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
for the year ended 31 December 2018

**15. MOVEMENT IN FUNDS - continued**

**Comparatives for movement in funds**

	At 1/1/17 £	Net movement in funds £	At 31/12/17 £
<b>Unrestricted Funds</b>			
General fund	442,835	148,955	591,790
<b>Restricted Funds</b>			
Restricted	28,112	(17,832)	10,280
<b>TOTAL FUNDS</b>	<u>470,947</u>	<u>131,123</u>	<u>602,070</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	710,566	(561,611)	148,955
<b>Restricted funds</b>			
Restricted	103,013	(120,845)	(17,832)
<b>TOTAL FUNDS</b>	<u>813,579</u>	<u>(682,456)</u>	<u>131,123</u>

A current year 12 months and prior year 12 months combined position is as follows:

	At 1/1/17 £	Net movement in funds £	At 31/12/18 £
<b>Unrestricted funds</b>			
General fund	442,835	192,021	634,856
<b>Restricted funds</b>			
Restricted	28,112	(8,159)	19,953
<b>TOTAL FUNDS</b>	<u>470,947</u>	<u>183,862</u>	<u>654,809</u>

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	1,321,799	(1,129,778)	192,021
<b>Restricted funds</b>			
Restricted	168,297	(176,456)	(8,159)
<b>TOTAL FUNDS</b>	<u>1,490,096</u>	<u>(1,306,234)</u>	<u>183,862</u>

**ENGINEERS AGAINST POVERTY**  
**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**for the year ended 31 December 2018**

**16. PENSION COMMITMENTS**

At the year end the total pensions payable were £1,266 (2017: £7,192).

**17. RELATED PARTY DISCLOSURES**

Engineers Against Poverty undertakes the day to day management and finance function of a connected charity. Petter Matthews, the Executive Director of Engineers Against Poverty, is also a Trustee of the connected charity. During the year, the Engineers Against Poverty recharged £533,974 (2017: £614,412) relating to workshop costs and staff time incurred on behalf of the connected charity. At the year end there was a debtor of £45,261 (2017: £166,465). The recharge includes an element of Petter Matthew's time.

**18. FINANCIAL INSTRUMENTS**

The charity has the following financial instruments:

	<u>£</u>	<u>2018</u> <u>£</u>	<u>£</u>	<u>2017</u> <u>£</u>
Financial assets that are debt instruments measured at amortised cost				
- Trade debtors	40,463		20,263	
- Other debtors	<u>1,456</u>		<u>-</u>	
		<u>41,919</u>		<u>20,263</u>
Financial liabilities measured at amortised cost				
- Trade creditors	26,396		37,770	
- Other creditors	<u>7,596</u>		<u>15,569</u>	
		<u>33,992</u>		<u>53,339</u>