

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 2020
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 2020

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ENGINEERS AGAINST POVERTY
REPORT OF THE TRUSTEES
for the year ended 31 December 2020

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 2020. 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 2019).

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

6th Floor Alliance House
29-30 High Holborn
London
WC1V 6AZ

Trustees

Professor P Jowitt	Chair
J Downham	Treasurer
J Hodges	
A Marshall	
R Watermeyer	
Professor G Ofori	
Dr P Parikh	

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

REFERENCE AND ADMINISTRATIVE DETAILS

The following people were employed by EAP during 2020:

Petter Matthews - Executive Director
John Hawkins - Head of Programmes
Sean Henderson- Senior Finance & Administration Officer
Charlotte Broyd-Communications Manager
Maria Prado - Senior Policy & Advocacy Adviser
Tippi Creed Waring - Communications Officer
Nora Pesheva - Office Administrator
Amanda Oduka - Programme Manager

resigned 13 May 2021
resigned 9 March 2021

ENGINEERS AGAINST POVERTY
REPORT OF THE TRUSTEES
for the year ended 31 December 2020

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 regular reviews 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.

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 up an investment fund.

Charitable Contributions

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

ENGINEERS AGAINST POVERTY
REPORT OF THE TRUSTEES
for the year ended 31 December 2020

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

EAP Insights

EAP launched a flagship new policy and research series in 2020 called EAP Insights, which draws on EAP knowledge and expertise on issues spanning social equity and inclusive growth, infrastructure governance, and sustainable and resilient infrastructure. EAP Insights kicked off with the Changing the Game series, which dives into key issues in Mega Sport Event (MSE) infrastructure delivery. The first paper, published in 2020, makes recommendations to improve the core issues affecting construction workers including to address unsafe working conditions, unsustainable employment, routine delayed or late payment, and a lack of grievance mechanisms. Research was completed for the second and third papers and both will be published in 2021. The second paper explores the corruption and integrity risks in MSE infrastructure, looking at how transparency, collaboration and effective channels to report wrongdoing can address the issue. The third publication focusses on improving accountability in the events, which, left unaddressed catalyses the corruption risks and often results in projects with a shelf life.

African Catalyst

EAP continued to support engineering bodies in Rwanda, Nigeria and Uganda to strengthen local engineering capacity as part of the Royal Academy of Engineering's Africa Catalyst programme. A core part of this work is centred on improving the opportunities of engineering graduates through internship placements and some key highlights are listed below.

- EAP participated in the online launch event for the Nigerian Institution of Mechanical Engineers (NIMCHE) internship programme in July. High level participants joined the event including the President of the Nigerian Society of Engineers where the significance of the programme in developing engineering capacity was highlighted.
- In December, EAP held a webinar which introduced participants from NIMECHE to the key tenets of monitoring, evaluation, accountability and learning (MEAL) and its value in strengthening the organisation. Attendees included members from the NIMECHE national executive council, its chapters, graduate mechanical engineers and the national student leadership.
- EAP delivered the key-note speech at an event held by the Institute of Engineers Rwanda (IER) in December. This centred on the relationship between EAP and IER since 201 and the challenges faced by women engineers in Rwanda. It also touched on EAP's forthcoming evaluation of the IER internship programme, which will outline how the programme has achieved its intended results alongside ways to further opportunities for engineering graduates.

ENGINEERS AGAINST POVERTY
REPORT OF THE TRUSTEES
for the year ended 31 December 2020

CoST - the Infrastructure Transparency Initiative

EAP continued to host the International Secretariat of CoST - the Infrastructure Transparency Initiative (CoST). CoST works with 19 members worldwide and is one of the leading global organisations working to improve transparency, participation and accountability in infrastructure. CoST members and the CoST International secretariat (CoST IS) achieved a number of successes throughout 2020, a selection of which are below.

CoST member achievements

- By the end of 2020, CoST supported the publication of data on 19,950 projects in line with the CoST Infrastructure Data Standard (CoST IDS), bringing the cumulative total to 57,691 projects globally.
- Despite the restrictions imposed by Covid-19, CoST members have used innovative methods to train over 2300 government, civil society and private sector stakeholders on disclosing and using infrastructure data. This includes 577 members of the private sector, who particularly benefitted from enhanced knowledge of national procurement processes to gain access to bidding opportunities.
- Water sector reforms were introduced in Afghanistan and Guatemala based on the findings from CoST reports.
- Findings from a CoST Malawi report resolved the Ministry of Health to allocate additional funding for a new cancer hospital ensuring patients will receive life-saving treatment.

CoST International Secretariat achievements

- CoST launched the methodology of the first-of-its-kind Infrastructure Transparency Index (ITI) to mark International Anti-Corruption Day 2020.
- With travel restricted and in-person technical assistance to its members no longer a possibility, the CoST IS embarked on developing a robust guidance package which included the guidance note Improving infrastructure transparency, participation and accountability during a crisis.
- CoST published its new Business Plan 2020-2025 Strengthening economies and improving lives, demonstrating how it can meet pressing global issues such as Covid-19, climate change and shrinking civic space.

Support of organisations

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

CoST - the Infrastructure Transparency Initiative
FIDIC International Federation of Consulting Engineers
Foreign Commonwealth and Development Office
Hogan Lovells
Institution of Chemical Engineers
Institution of Engineers Rwanda
London Southbank University
Nigerian Institution of Mechanical Engineers
Royal Academy of Engineering
Uganda Institution of Professional Engineers.

Support of individuals

The trustees express their sincere gratitude to all the individuals who have supported the Charity's work in 2020 but are too numerous to mention here.

FINANCIAL REVIEW

Accounts

The accounts for the year ended 31 December 2020 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.

ENGINEERS AGAINST POVERTY
REPORT OF THE TRUSTEES
for the year ended 31 December 2020

Unrestricted Fund

The balance of unrestricted funds at 31 December 2020 was £558,881 (2019: £741,839) .

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. In 2019 we held £505,000 as reserves. At the time this was equivalent to eight months operating costs. On 30 June 2021 we reviewed our reserves policy to reflect our reduced operating costs and the scaling down of some of our programmes. The new reserves figure will cover six months operating costs, our office lease and other commitments. The trustees consider this level of reserves to be acceptable. At the year-end there were unrestricted funds of £558,881. Of this £302,000 is considered by the trustees to be held as reserves. £256,881 of the unrestricted funds is considered to be free reserves which EAP will use to carry out its charitable objectives.

Going concern

The trustees have assess the financial position of the charitable company and assessed the impact of COVID-19. The charity's income has dropped £273,632 with a large proportion due to the difficulty in obtaining new funding in the present climate. The charity has been able to utilise the financial support from the government by claiming grants from the Coronavirus Job Retention Scheme. The trustees are in negotiation for obtaining future funding and believe that the charity will also be able to obtain additional income which will allow the charity to have sufficient resources without cutting costs to meet its liabilities as they fall due for at least twelve months

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 .12 August.2021..... and signed on its behalf by:



.....
J Downham - Trustee

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

Opinion

We have audited the financial statements of Engineers Against Poverty (the 'charitable company') for the year ended 31 December 2020 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 2020 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 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

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

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

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

Other information

The 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the 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

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.

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

Based on our understanding of the charity and the industry, we have identified that the principal risks of non-compliance with laws and regulations and we have considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting inappropriate journal entries, and management bias in accounting estimates. Audit procedures performed included:

- Enquires with management for consideration of known or suspected instances of non-compliance with laws and regulations and fraud.
- Challenging assumptions made by management in their accounting estimates.
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations, journal entries crediting revenue, journal entries crediting cash and journal entries with specific defined descriptions.

There are inherent limitations in the audit procedures describes above and the further removed non-compliant with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting in error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentation, or through collusion.

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 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.

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:

ENGINEERS AGAINST POVERTY
STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 31 December 2020

	Notes	Unrestricted fund £	Restricted fund £	2020 Total funds £	2019 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	230	-	230	579
Charitable activities					
Grant from other institutions	4	7,800	5,000	12,800	8,000
Consultancy fees		-	-	-	110,004
CoST Charity		468,797	38,513	507,310	676,552
Investment income	3	518	-	518	1,162
Other income		1,807	-	1,807	-
Total		479,152	43,513	522,665	796,297
EXPENDITURE ON					
Raising funds	5	81,377	-	81,377	16,183
Charitable activities					
Resources expended	6	555,102	38,513	593,615	662,801
Other		25,631	-	25,631	26,542
Total		662,110	38,513	700,623	705,526
NET INCOME/(EXPENDITURE)		(182,958)	5,000	(177,958)	90,771
RECONCILIATION OF FUNDS					
Total funds brought forward		741,839	3,741	745,580	654,809
TOTAL FUNDS CARRIED FORWARD		558,881	8,741	567,622	745,580

The notes form part of these financial statements

ENGINEERS AGAINST POVERTY
STATEMENT OF FINANCIAL POSITION
31 December 2020

	Notes	Unrestricted fund £	Restricted fund £	2020 Total funds £	2019 Total funds £
FIXED ASSETS					
Tangible assets	11	1,813	-	1,813	2,694
CURRENT ASSETS					
Debtors	12	105,922	5,000	110,922	133,164
Cash in hand		513,143	3,741	516,884	723,771
		<u>619,065</u>	<u>8,741</u>	<u>627,806</u>	856,935
CREDITORS					
Amounts falling due within one year	13	(61,997)	-	(61,997)	(114,049)
NET CURRENT ASSETS		<u>557,068</u>	<u>8,741</u>	<u>565,809</u>	742,886
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>558,881</u>	<u>8,741</u>	<u>567,622</u>	745,580
NET ASSETS		<u>558,881</u>	<u>8,741</u>	<u>567,622</u>	<u>745,580</u>
FUNDS	15				
Unrestricted funds				558,881	741,839
Restricted funds				8,741	3,741
TOTAL FUNDS				<u>567,622</u>	<u>745,580</u>

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

The financial statements were approved by the Board of Trustees and authorised for issue on ...12 August 2021..... and were signed on its behalf by:



.....
P Jowitt - Trustee



.....
J Downham - Trustee

ENGINEERS AGAINST POVERTY

**NOTES TO THE STATEMENT OF CASH FLOWS
for the year ended 31 December 2020**

1. RECONCILIATION OF NET (EXPENDITURE)/INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2020	2019
	£	£
Net (expenditure)/income for the reporting period (as per the Statement of Financial Activities)	(177,958)	90,771
Adjustments for:		
Depreciation charges	1,313	1,312
Interest received	(518)	(1,162)
Decrease/(increase) in debtors	22,242	(1,238)
(Decrease)/increase in creditors	(52,052)	46,982
Net cash (used in)/provided by operations	<u>(206,973)</u>	<u>136,665</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1/1/20	Cash flow	At 31/12/20
	£	£	£
Net cash			
Cash at bank and in hand	<u>723,771</u>	<u>(206,887)</u>	<u>516,884</u>
	<u>723,771</u>	<u>(206,887)</u>	<u>516,884</u>
Total	<u><u>723,771</u></u>	<u><u>(206,887)</u></u>	<u><u>516,884</u></u>

ENGINEERS AGAINST POVERTY

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2020

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 2019)', 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 (£).

Going concern

The trustees have assessed the financial position of the charitable company. At 31 December 2020 the charity had net current assets of £565,809 (2019: £742,886) and net assets of £567,622 (2019: £745,580). The trustees have assessed future cash flow forecasts and the potential impact and consider the charity to have sufficient resources to meet its liabilities as they fall due for at least twelve months from the signing of financial statements and have therefore prepared the financial statements on a going concern basis.

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.

ENGINEERS AGAINST POVERTY

NOTES TO THE FINANCIAL STATEMENTS - continued for the year ended 31 December 2020

1. ACCOUNTING POLICIES - continued

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 useful lives, using a straight line, as indicated below.

Depreciation is provided on the following basis:

Office equipment and website
development - Over 3 years

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.

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

Financial instruments

(i) Financial assets

Basic financial assets, including trade and other debtors, cash and bank balances are initially recognised at transaction price, unless the arrangement constitutes as 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 rate method.

(ii) Financial liabilities

Basic financial liabilities, including trade and other creditors 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.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

ENGINEERS AGAINST POVERTY

**NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 December 2020**

2. DONATIONS AND LEGACIES

	2020	2019
	£	£
Sponsored fundraising events	-	263
Appeals	230	316
	<u>230</u>	<u>579</u>

3. INVESTMENT INCOME

	2020	2019
	£	£
Interest receivable	518	1,162
	<u>518</u>	<u>1,162</u>

4. INCOME FROM CHARITABLE ACTIVITIES

	2020	2019
	£	£
Africa Catalyst Programme	7,800	8,000
Institution of Civil Engineers	5,000	-
Consultancy fees	-	110,004
CoST	507,310	676,552
	<u>520,110</u>	<u>794,556</u>

5. RAISING FUNDS

Raising donations and legacies

	2020	2019
	£	£
Staff costs	79,662	15,169
	<u>79,662</u>	<u>15,169</u>

Other trading activities

	2020	2019
	£	£
Bank charges	402	(298)
Depreciation	1,313	1,312
	<u>1,715</u>	<u>1,014</u>

Aggregate amounts	<u>81,377</u>	<u>16,183</u>
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ENGINEERS AGAINST POVERTY

**NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 December 2020**

6. CHARITABLE ACTIVITIES COSTS

	Total Funds 2020 £	Total Funds 2019 £
Provision of charitable services:		
Wages	294,068	261,538
Travel and subsistence	2,766	6,164
Consultancy costs	58,964	249,312
Support costs	237,817	145,787
	<hr/> 593,615 <hr/>	<hr/> 662,801 <hr/>

Analysis of support services is as follows:-

	Total Funds 2020 £	Total Funds 2019 £
Wages	90,655	58,149
Rent and other services	27,760	48,124
Insurance	6,010	5,587
Postage and stationery	3,539	3,854
Sundries	22,686	17,772
Subscriptions	2,786	1,095
IT and communications	13,030	11,206
Repairs and renewals	56,442	-
Professional fees	14,909	-
	<hr/> 237,817 <hr/>	<hr/> 145,787 <hr/>

7. SUPPORT COSTS

	Governance costs £
Other resources expended	25,631

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

	2020 Other resources expended £	2019 Total activities £
Wages	17,982	20,615
Auditors remuneration	7,649	5,927
	<hr/> 25,631 <hr/>	<hr/> 26,542 <hr/>

ENGINEERS AGAINST POVERTY

**NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 December 2020**

8. NET INCOME/(EXPENDITURE)

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

	2020	2019
	£	£
Auditors remuneration	7,649	5,927
Depreciation - owned assets	1,313	1,312
Pension costs	12,729	11,743
Operating lease commitments	27,760	48,124
	<u><u> </u></u>	<u><u> </u></u>

9. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2020 nor for the year ended 31 December 2019.

Trustees' expenses

During the year, trustees received expenses of £nil (2019: £1,862) for travel and other expenses.

10. STAFF COSTS

	2020	2019
	£	£
Wages and salaries	391,713	297,322
	<u><u> </u></u>	<u><u> </u></u>
	391,713	297,322
	<u><u> </u></u>	<u><u> </u></u>

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

	2020	2019
Administration and directorate	3	3
Project Programme Officers	6	5
	<u> </u>	<u> </u>
	9	8
	<u><u> </u></u>	<u><u> </u></u>

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

	2020	2019
£60,001 - £70,000	1	1
£70,001 - £80,000	1	1
	<u> </u>	<u> </u>
	2	2
	<u><u> </u></u>	<u><u> </u></u>

ENGINEERS AGAINST POVERTY

**NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 December 2020**

11. TANGIBLE FIXED ASSETS

	Website £	Office equipment £	Totals £
COST			
At 1 January 2020	2,393	11,070	13,463
Additions	-	432	432
	<u>2,393</u>	<u>11,502</u>	<u>13,895</u>
At 31 December 2020	2,393	11,502	13,895
DEPRECIATION			
At 1 January 2020	2,393	8,376	10,769
Charge for year	-	1,313	1,313
	<u>2,393</u>	<u>9,689</u>	<u>12,082</u>
At 31 December 2020	2,393	9,689	12,082
NET BOOK VALUE			
At 31 December 2020	-	1,813	1,813
	<u>-</u>	<u>1,813</u>	<u>1,813</u>
At 31 December 2019	-	2,694	2,694
	<u>-</u>	<u>2,694</u>	<u>2,694</u>

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
Accrued income	89,328	129,785
Other debtors	14,352	-
VAT	46	-
Prepayments	7,196	3,379
	<u>110,922</u>	<u>133,164</u>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
Trade creditors	38,394	90,828
VAT	-	285
Other creditors	4,607	8,066
Accruals and deferred income	18,996	14,870
	<u>61,997</u>	<u>114,049</u>

14. LEASING AGREEMENTS

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

	2020 £	2019 £
Within one year	23,143	10,345
Between one and five years	69,947	-
	<u>93,090</u>	<u>10,345</u>

ENGINEERS AGAINST POVERTY

**NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 December 2020**

15. MOVEMENT IN FUNDS

	At 1/1/20 £	Net movement in funds £	At 31/12/20 £
Unrestricted funds			
General fund	741,839	(182,958)	558,881
Restricted funds			
Restricted	3,741	5,000	8,741
TOTAL FUNDS	<u>745,580</u>	<u>(177,958)</u>	<u>567,622</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	479,152	(662,110)	(182,958)
Restricted funds			
Restricted	43,513	(38,513)	5,000
TOTAL FUNDS	<u>522,665</u>	<u>(700,623)</u>	<u>(177,958)</u>

Comparatives for movement in funds

	At 1/1/19 £	Net movement in funds £	At 31/12/19 £
Unrestricted funds			
General fund	634,856	106,983	741,839
Restricted funds			
Restricted	19,953	(16,212)	3,741
TOTAL FUNDS	<u>654,809</u>	<u>90,771</u>	<u>745,580</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	731,334	(624,351)	106,983
Restricted funds			
Restricted	64,963	(81,175)	(16,212)
TOTAL FUNDS	<u>796,297</u>	<u>(705,526)</u>	<u>90,771</u>

ENGINEERS AGAINST POVERTY

**NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 December 2020**

15. MOVEMENT IN FUNDS - continued

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

	At 1/1/19 £	Net movement in funds £	At 31/12/20 £
Unrestricted funds			
General fund	634,856	(75,975)	558,881
Restricted funds			
Restricted	19,953	(11,212)	8,741
TOTAL FUNDS	<u>654,809</u>	<u>(87,187)</u>	<u>567,622</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 £
Unrestricted funds			
General fund	1,210,486	(1,286,461)	(75,975)
Restricted funds			
Restricted	108,476	(119,688)	(11,212)
TOTAL FUNDS	<u>1,318,962</u>	<u>(1,406,149)</u>	<u>(87,187)</u>

16. EMPLOYEE BENEFIT OBLIGATIONS

At the year end the total pensions payable were £3,080 (2019: £4,934).

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 £507,310 (2019: £676,553) relating to workshop costs and staff time incurred on behalf of the connected charity. At the year end included in debtors there was accrued income of £89,328 (2019: £129,731). The recharge includes an element of Petter Matthew's time.

ENGINEERS AGAINST POVERTY
DETAILED STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 31 December 2020

	Unrestricted funds £	Restricted funds £	2020 Total funds £	2019 Total funds £
INCOME AND ENDOWMENTS				
Donations and legacies				
Sponsored fundraising events	-	-	-	263
Appeals	230	-	230	316
	230	-	230	579
Investment income				
Interest receivable	518	-	518	1,162
Charitable activities				
Consultancy fees	-	-	-	110,004
CoST	468,797	38,513	507,310	676,552
Africa Catalyst Programme	7,800	-	7,800	8,000
Institution of Civil Engineers	-	5,000	5,000	-
	476,597	43,513	520,110	794,556
Other income				
Exceptional items	1,807	-	1,807	-
Total incoming resources	479,152	43,513	522,665	796,297
EXPENDITURE				
Raising donations and legacies				
Wages	79,662	-	79,662	15,169
Other trading activities				
Bank charges	402	-	402	(298)
Depreciation of tangible fixed assets	1,313	-	1,313	1,312
	1,715	-	1,715	1,014
Charitable activities				
Wages	294,069	-	294,069	261,538
Sundries	-	38,513	38,513	64,963
Support costs	258,267	-	258,267	330,136
Travel and subsistence	2,766	-	2,766	6,164
	555,102	38,513	593,615	662,801
Support costs				
Governance costs				
Wages	17,982	-	17,982	20,615
Auditors remuneration	7,649	-	7,649	5,927
	25,631	-	25,631	26,542
Total resources expended	662,110	38,513	700,623	705,526
Net income	(182,958)	5,000	(177,958)	90,771

This page does not form part of the statutory financial statements