

**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 2017  
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 2017**

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**ENGINEERS AGAINST POVERTY**  
**REPORT OF THE TRUSTEES**  
**for the year ended 31 December 2017**

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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 2017. 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 - Chairman  
J Downham - Treasurer  
T Marshall  
R Watermeyer  
N Ogunshakin  
E Culbard  
W Serle  
Professor G Ofori

- resigned 10.05.17

- resigned 16.11.17

- appointed 10.05.17

**Appointment of Trustees**

At the Annual General Meeting in May 2017 Jo Downham & Tony Marshall retired by rotation and were re-elected.

**Company Secretary**

S Henderson

**Principal Officers**

The following people were employed by EAP during 2017:

Petter Matthews - Executive Director

Jill Wells - Senior Policy Advisor

John Hawkins – Head of Programmes

Bernadine Fernz – Senior Policy Advisor

Eleanor Morgan - Communications Manager

- resigned 30.06.17

Mia Jeannot - Programmes Administrator

- resigned 29.09.17

Soren Kirk Jensen-Senior Policy Advisor

Sean Henderson – Finance Officer

Elizabeth Dykstra-McCarthy – Programmes Administrator

- appointed 22.09.17

Charlotte Broyd – Communications Manager

- appointed 06.10.17

**Auditors**

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 2017**

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**Bankers**

National Westminster Bank Plc  
PO Box 113, Cavell House  
2a Charing Cross Road  
London  
WC2H 0NN

**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.

**Mission**

Our mission is to improve infrastructure policy and engineering practice in order to help reduce and eventually eliminate poverty.

**Activities**

EAP's Strategic Plan 2012-2017 outlines 5 'Areas of Focus' (1) Infrastructure Investment, (2) Transparency and Accountability, (3) Local Content, (4) Labour Standards and (5) Climate & Infrastructure. EAP fulfils its mission through activities in each of these areas, which are discussed in more detail below.

In 2017 EAP developed a detailed five year strategy and implementation plan through consultation with its staff and board members which is detailed further in our 'Plans for future periods' section.

**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 upon 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 2017

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#### 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

##### Transparency & Accountability

EAP continued to host the International Secretariat of Construction Sector Transparency Initiative. Construction Sector Transparency Initiative is established as the leading international infrastructure transparency initiative, disclosing, validating and interpreting infrastructure data to empower stakeholders to hold decision-makers to account. In 2017 Construction Sector Transparency Initiative experienced numerous successes across its different components and varied contexts of operation. Below are a selection of achievements from 2017.

Construction Sector Transparency Initiative member achievements:

- Information was disclosed on approximately 4,805 infrastructure projects in line with the Construction Sector Transparency Initiative Infrastructure Data Standard (IDS).
- Costa Rica established a Formal Disclosure Requirement that mandates the disclosure of data in line with the IDS creating a catalyst for systematic change. Progress was also made to institutionalise disclosure requirements Afghanistan, El Salvador, Panama, Uganda and Ukraine.
- Construction Sector Transparency Initiative provided a platform for sharing technology; Malawi launched the Information Platform for Public Procurement (IPPI) a disclosure platform based on a platform established by Honduras in 2016. The same system is to be replicated in Panama.
- Assurance reports were published in Malawi and Uganda. The Malawi assurance report looked at 33 infrastructure projects and the Uganda assurance report looked at five major road projects, both reports highlighted key issues including, delayed projects and payment, cost increases, land acquisition, quality of construction, the health and safety of workers and procurement.
- Over 2000 participants from government, civil society and the private sector participated in over 80 awareness raising events and meetings.

Construction Sector Transparency Initiative International Secretariat achievements:

- Construction Sector Transparency Initiative published the first of its four case studies on infrastructure transparency in high-income countries. The first study on Argentina found significant room for improvement and high value in Construction Sector Transparency Initiative operating in the country.
- Construction Sector Transparency Initiative co-sponsored *Open Contracting 2017* with key partners in open government and open data, helping to promote the lessons from Construction Sector Transparency Initiative to 200 open contracting practitioners from over 30 countries.
- The Dutch Ministry of Foreign Affairs agreed to renew its funding agreement with Construction Sector Transparency Initiative.
- Construction Sector Transparency Initiative facilitated training with participants from Costa Rica, El Salvador, Honduras, Guatemala and Panama at a regional workshop with funding from the Foreign and Commonwealth Office Prosperity Fund. Training on the assurance process was also provided in Uganda, Malawi and Afghanistan.
- Construction Sector Transparency Initiative participated at the World Bank's Infrastructure Governance Roundtable in Cape Town, at the Open Government Partnership Americas Regional Meeting in Buenos Aires and an Inter-American Development Bank Forum in Lima.

## ENGINEERS AGAINST POVERTY

### REPORT OF THE TRUSTEES for the year ended 31 December 2017

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#### Labour Standards

EAP collaborated with the International Labour Organization (ILO) to formulate policy ideas and recommendations for a fair construction sector in the Middle East. As part of this collaboration, EAP supported the ILO in preparing a White Paper which looks at addressing late or non-payment of wages and occupational safety and health (OSH) issues affecting migrant construction workers in the region. The Paper, authored by EAP, offers innovative ideas to address gaps in legislation, Wage Protection Systems, and OSH policies, to ensure a strengthened and reputable construction industry in the region.

#### Infrastructure Investment

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). This includes participation in the Strategic Leadership Team that oversees the direction of the Facility, support on international influencing and specialist inputs on the governance of infrastructure. In 2017 we convened a roundtable meeting on the theme 'The Role of Governance & Transparency in DFID's Infrastructure & Urban Programming'. It brought together DFID advisors and representatives of other parts of Government with representatives from the private sector and civil society. It is anticipated that the results of the roundtable will help inform future work of the ICED Facility in supporting DFID in this important area. EAP also worked with members of the ICED Alliance to launch a new website. The website is designed primarily to assist DFID advisers and brings together the breadth of ICED resources and allows users to easily find these through a sophisticated resource section and an Evidence Library using clear categorisation.

#### Education

In 2017 EAP partnered with engineering institutions in Sub-Saharan Africa to help build their capacity and strengthen the sector in the region. In Rwanda EAP worked with the Institute for Engineers Rwanda to tackle obstacles facing engineering graduates seeking to enter the workplace by establishing an internship programme that matched recent graduates with employers. Of the interns surveyed at the end of the scheme, 68% felt their theoretical knowledge had increased, 100% felt their practical skills had increased and 30% remarked that their project management skills had improved. In Ethiopia, EAP supported the institutional development of the Ethiopian Association for Civil Engineers. In Zambia and Zimbabwe EAP supported the development of, 'A Pilot Feasibility Study for An Infrastructure Anti-Corruption Index: The Case of Zambia and Zimbabwe', which seeks to address some of the weaknesses evident in global governance indicators. The Study will be used to establish an anti-corruption index in both countries and provides the basis of recommendations on anti-corruption action to government, corporates, civil society as well as professional engineering. All of these projects were supported with funding from the Royal Academy of Engineering as part of its 'Africa Catalyst' programme.

#### Support of Organisations

The work of EAP in 2017 would not have been possible without the tremendous support of a range of organisations including:

ARUP  
Association for Consultancy and Engineering (ACE)  
AMEC  
Chartered Institute of Building (CIOB)  
CoST  
Department for International Development  
Hogan Lovells  
Institution of Chemical Engineers  
Institution of Civil Engineers  
International Labour Organization (ILO)  
MDY Legal  
Open Society Foundation  
Parsons Brinckerhoff  
PricewaterhouseCoopers (PwC)  
Royal Academy of Engineering  
Social Development Direct (SDD)  
World Bank

#### Support of Individuals

The trustees express their sincere gratitude to all the individuals who have supported the Charity's work in 2017 but are too numerous to mention here.

**ENGINEERS AGAINST POVERTY**  
**REPORT OF THE TRUSTEES**  
**for the year ended 31 December 2017**

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## **FINANCIAL REVIEW**

### **Accounts**

The accounts for the year ended 31 December 2017 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. The increase in resources expended in 2017 was a result of an increase in staff costs and use of external consultants.

### **Unrestricted Funds**

The balance on unrestricted funds at 31 December 2017 was £591,790.

### **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 £591,790. Of this £300,000 is considered by the trustees to be held as reserves. This is equivalent to six 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. Any surplus reserves will be used to assist in the implementation of our new five year strategic plan.

## **PLANS FOR FUTURE PERIODS**

EAP will continue to host the Construction Sector Transparency Initiative International Secretariat.

EAP will be continuing our role in the Infrastructure and Cities for Economic Development (ICED) Facility. It will continue to provide EAP with the opportunity to drive a step change in DFID's ability to promote economic growth through improved and inclusive infrastructure provision and sustainable urban development.

EAP are also increasingly viewed as the go to organisation on labour issues within the sector. EAP will continue to build on this success and promote improvements to health and safety, workers pay and conditions to a broader range of stakeholders.

At the September 2018 board meeting EAP agreed their 2018-2022 Strategy & Implementation Plan. Over the next few years EAP will implement our vision and mission through three areas of focus:

- Infrastructure governance and public investment management
- Social equity, inclusive growth and fair opportunities
- Resilience and climate impacts on infrastructure

## **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.

**ENGINEERS AGAINST POVERTY**

**REPORT OF THE TRUSTEES  
for the year ended 31 December 2017**

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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 .....24/9/18..... and signed on its behalf by:

  
J Downham - 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 2017 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'.

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.

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 2017 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 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, 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.

### Opinion 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.

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

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### Matters on which we are required to report by exception

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.

### 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.

*Magma Audit LLP*

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

Date: *25<sup>th</sup> September 2018*

**ENGINEERS AGAINST POVERTY**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
for the year ended 31 December 2017

	Note	Unrestricted fund £	Restricted fund £	2017 Total funds £	2016 Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>					
Donations and legacies	2	3,167	-	3,167	7,996
Charitable activities	4	707,343	103,013	810,356	813,147
Investment income	3	56	-	56	44
<b>Total</b>		<b>710,566</b>	<b>103,013</b>	<b>813,579</b>	<b>821,336</b>
<b>EXPENDITURE ON</b>					
Raising funds	5	(16,875)	-	(16,875)	(8,893)
Charitable activities	6	(520,102)	(120,845)	(640,947)	(482,274)
Resources expended					
Other		(24,634)	-	(24,634)	(21,802)
<b>Total</b>		<b>(561,611)</b>	<b>(120,845)</b>	<b>(682,456)</b>	<b>(512,969)</b>
<b>NET INCOME/(EXPENDITURE)</b>		<b>148,955</b>	<b>(17,832)</b>	<b>131,123</b>	<b>308,367</b>
<b>RECONCILIATION OF FUNDS</b>					
<b>Total funds brought forward</b>		<b>442,835</b>	<b>28,112</b>	<b>470,947</b>	<b>162,580</b>
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>591,790</b>	<b>10,280</b>	<b>602,070</b>	<b>470,947</b>

**CONTINUING OPERATIONS**

All income and expenditure has arisen from continuing activities.

The notes form part of these financial statements

**ENGINEERS AGAINST POVERTY**  
**STATEMENT OF FINANCIAL POSITION**  
**At 31 December 2017**

	Note	Unrestricted fund £	Restricted fund £	2017 Total funds £	2016 Total funds £
<b>FIXED ASSETS</b>					
Tangible assets	11	4,268	-	4,268	6,369
<b>CURRENT ASSETS</b>					
Debtors	12	239,854	-	239,854	291,288
Cash in hand		<u>428,333</u>	<u>10,280</u>	<u>438,613</u>	<u>241,197</u>
		668,187	10,280	678,467	532,485
<b>CREDITORS</b>					
Amounts falling due within one year	13	(80,665)	-	(80,665)	(67,907)
<b>NET CURRENT ASSETS</b>		<u>587,522</u>	<u>10,280</u>	<u>597,802</u>	<u>464,578</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>591,790</u>	<u>10,280</u>	<u>602,070</u>	<u>470,947</u>
<b>NET ASSETS</b>		<u>591,790</u>	<u>10,280</u>	<u>602,070</u>	<u>470,947</u>
<b>FUNDS</b>	15				
Unrestricted funds				591,790	442,835
Restricted funds				<u>10,280</u>	<u>28,112</u>
<b>TOTAL FUNDS</b>				<u>602,070</u>	<u>470,947</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 24/9/18 and were signed on its behalf by:

  
 Professor G Ofori -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 2017**

	Notes	2017 £	2016 £
<b>Cash flows from operating activities:</b>			
Cash generated from operations	1	<u>197,360</u>	<u>145,822</u>
<b>Net cash provided by (used in) operating activities</b>		<u>197,360</u>	<u>145,822</u>
<b>Cash flows from investing activities:</b>			
Purchase of tangible fixed assets		-	(8,229)
Interest received		<u>56</u>	<u>44</u>
<b>Net cash provided by (used in) investing activities</b>		<u>56</u>	<u>(8,185)</u>
<b>Change in cash and cash equivalents in the reporting period</b>		<u>197,416</u>	<u>137,637</u>
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<u>241,197</u>	<u>103,560</u>
<b>Cash and cash equivalents at the end of the reporting period</b>		<u>438,613</u>	<u>241,197</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 2017**

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**1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
<b>Net income for the reporting period (as per the statement of financial activities)</b>	<b>131,123</b>	<b>308,367</b>
<b>Adjustments for:</b>		
Depreciation charges	<b>2,102</b>	<b>3,139</b>
Interest received	<b>(56)</b>	<b>(44)</b>
Decrease/(increase) in debtors	<b>51,434</b>	<b>(160,970)</b>
Increase/(decrease) in creditors	<b><u>12,757</u></b>	<b><u>(4,670)</u></b>
<b>Net cash provided by (used in) operating activities</b>	<b><u>197,360</u></b>	<b><u>145,822</u></b>

**ENGINEERS AGAINST POVERTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 31 December 2017**

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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.

## ENGINEERS AGAINST POVERTY

### NOTES TO THE FINANCIAL STATEMENTS - CONTINUED for the year ended 31 December 2017

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#### 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 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.

##### **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 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.



# ENGINEERS AGAINST POVERTY

## NOTES TO THE FINANCIAL STATEMENTS - CONTINUED for the year ended 31 December 2017

### 1. ACCOUNTING POLICIES - continued

#### 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.

#### 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

	2017 £	2016 £
Donations	145	6,650
Appeals	298	1,346
Legacies	<u>2,724</u>	<u>-</u>
	<u>3,167</u>	<u>7,996</u>

### 3. INVESTMENT INCOME

	2017 £	2016 £
Interest receivable	<u>56</u>	<u>44</u>

### 4. INCOME FROM CHARITABLE ACTIVITIES

	2017 £	2016 £
Foundation to Promote Open Society	-	50,399
Africa Catalyst Programme	16,993	-
Consultancy fees	178,951	163,725
Grants from World Bank	-	4,250
Management fees receivable	<u>614,412</u>	<u>594,773</u>
	<u>810,356</u>	<u>813,147</u>

**ENGINEERS AGAINST POVERTY**  
**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
for the year ended 31 December 2017

**5. RAISING FUNDS**

**Raising donations and legacies**

	2017 £	2016 £
Staff costs	<u>14,347</u>	<u>5,224</u>

**Other trading activities**

	2017 £	2016 £
Bank charges	426	530
Depreciation	<u>2,102</u>	<u>3,139</u>
	<u>2,528</u>	<u>3,669</u>

Aggregate amounts	<u>16,875</u>	<u>8,893</u>
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**6. CHARITABLE ACTIVITIES COSTS**

All of the funds are unrestricted

	Total Funds 31.12.17 £	Total Funds 31.12.16 £
<b>Provision of charitable services:</b>		
Wages	295,598	236,222
Travel and subsistence	7,094	14,719
Sundries	223,378	129,082
Support costs	<u>114,877</u>	<u>102,251</u>
	<u>640,947</u>	<u>482,274</u>

Analysis of support services is as follows:-

	Total Funds 31.12.17 £	Total Funds 31.12.16 £
Wages	38,143	31,538
Rent and other services	48,103	50,850
Insurance	3,790	1,105
Postage and stationery	1,369	2,304
Sundries	4,602	623
Subscriptions	937	629
IT and communications	<u>17,933</u>	<u>15,202</u>
	<u>114,877</u>	<u>102,251</u>

**ENGINEERS AGAINST POVERTY**  
**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
for the year ended 31 December 2017

**7. SUPPORT COSTS**

	<b>Governance costs</b>
	<b>£</b>
Other resources expended	<b><u>24,544</u></b>

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

	<b>2017 Other resources expended £</b>	<b>2016 Total activities £</b>
Wages	<b>18,380</b>	15,483
Auditors remuneration	<b><u>6,164</u></b>	<u>6,319</u>
	<b><u>24,544</u></b>	<u>21,802</u>

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

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

	<b>2017 £</b>	<b>2016 £</b>
Auditors remuneration	<b>6,164</b>	6,319
Depreciation - owned assets	<b>2,101</b>	3,139
Pension costs	<b>13,744</b>	11,503
Exchange rate loss / (gains)	<b>90</b>	(149)
Operating lease commitments	<b><u>48,103</u></b>	<u>50,850</u>

**9. TRUSTEES' REMUNERATION AND BENEFITS**

There were no trustees' remuneration or other benefits for the year ended 31 December 2017 nor for the year ended 31 December 2016.

**Trustees' expenses**

During the year, one trustee received reimbursement of expenses of £781 (2016: £202) for travel and other expenses.

**ENGINEERS AGAINST POVERTY**  
**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**for the year ended 31 December 2017**

**10. STAFF COSTS**

	2017 £	2016 £
Wages and salaries	<u>330,171</u>	<u>256,929</u>

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

	2017	2016
Administration and directorate	2	2
Project Programme Officers	<u>6</u>	<u>5</u>
	<u>8</u>	<u>7</u>

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

	2017	2016
£60,001 - £70,000	<u>1</u>	<u>-</u>

**11. TANGIBLE FIXED ASSETS**

	Plant and machinery £	Computer equipment £	Totals £
<b>COST</b>			
At 1 January 2017 and 31 December 2017	<u>2,393</u>	<u>10,669</u>	<u>13,062</u>
<b>DEPRECIATION</b>			
At 1 January 2017	1,677	5,016	6,693
Charge for year	<u>447</u>	<u>1,654</u>	<u>2,101</u>
At 31 December 2017	<u>2,124</u>	<u>6,670</u>	<u>8,794</u>
<b>NET BOOK VALUE</b>			
At 31 December 2017	<u>269</u>	<u>3,999</u>	<u>4,268</u>
At 31 December 2016	<u>716</u>	<u>5,653</u>	<u>6,369</u>

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

	2017 £	2016 £
Trade debtors	20,263	57,291
Prepayments and accrued income	205,225	219,655
Other debtors	-	831
Prepayments	<u>14,366</u>	<u>13,511</u>
	<u>239,854</u>	<u>291,288</u>

# ENGINEERS AGAINST POVERTY

## NOTES TO THE FINANCIAL STATEMENTS - CONTINUED for the year ended 31 December 2017

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

	2017	2016
	£	£
Trade creditors	37,770	31,993
VAT	1,198	10,318
Other creditors	14,371	8,939
Accruals and deferred income	27,326	16,657
	<u>80,665</u>	<u>67,907</u>

Within accruals and deferred income there is a deferred income balance of £6,500 (2016: £nil) relating to the Africa Catalyst Programme.

### 14. LEASING AGREEMENTS

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

	2017	2016
	£	£
Within one year	<u>41,379</u>	<u>41,379</u>

### 15. 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>

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>

# ENGINEERS AGAINST POVERTY

## NOTES TO THE FINANCIAL STATEMENTS - CONTINUED for the year ended 31 December 2017

### 15. MOVEMENT IN FUNDS - continued

#### Comparatives for movement in funds

	At 1.1.16 £	Net movement in funds £	At 31.12.16 £
<b>Unrestricted Funds</b>			
General fund	162,580	280,255	442,835
<b>Restricted Funds</b>			
Restricted	-	28,112	28,112
<b>TOTAL FUNDS</b>	<b>162,580</b>	<b>308,367</b>	<b>470,947</b>

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	705,087	(424,832)	280,255
<b>Restricted funds</b>			
Restricted	116,249	(88,137)	28,112
<b>TOTAL FUNDS</b>	<b>821,336</b>	<b>(512,969)</b>	<b>308,367</b>

### 16. PENSION COMMITMENTS

At the year end the total pensions payable were £7,192 (2016: £1,992).

### 17. RELATED PARTY DISCLOSURES

The charity undertakes the day to day management and finance function of The Construction Sector Transparency Initiative (registered charity no. 1152236). Petter Matthews, the Executive Director of the charity, is also a Trustee of The Construction Sector Transparency Initiative. During the year, the charity recharged The Construction Sector Transparency Initiative £614,412 (2016: £594,773) relating to workshop costs and staff time incurred on behalf of The Construction Sector Transparency Initiative. At the year end there was a debtor of £166,465 (2016: £201,078). The recharge includes an element of Petter Matthew's time.

**ENGINEERS AGAINST POVERTY**  
**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**for the year ended 31 December 2017**

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**18. FINANCIAL INSTRUMENTS**

The charity has the following financial instruments:

	<u>£</u>	<u>2017</u> <u>£</u>	<u>£</u>	<u>2016</u> <u>£</u>
Financial assets that are debt instruments measured at amortised cost				
- Trade debtors	20,263		57,291	
- Other debtors	<u>-</u>		<u>-</u>	
		<u>20,263</u>		<u>57,291</u>
Financial liabilities measured at amortised cost				
- Trade creditors	37,770		31,993	
- Other creditors	<u>15,569</u>		<u>19,257</u>	
		<u>53,339</u>		<u>51,250</u>