

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 2019  
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 2019**

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**REPORT OF THE TRUSTEES**  
**for the year ended 31 December 2019**

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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 2019. 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	appointed 17 July 2019
A Marshall	
R Watermeyer	
Professor G Ofori	
Dr P Parikh	appointed 16 December 2019

**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  
WC1V 6AZ

**EVENTS SINCE THE END OF THE YEAR**

Information relating to events since the end of the year is given in the notes to the financial statements.

**REPORT OF THE TRUSTEES**  
**for the year ended 31 December 2019**

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**REFERENCE AND ADMINISTRATIVE DETAILS**

The following people were employed by EAP during 2019:

Jill Wells - Senior Policy Adviser	resigned 31 July 2019
John Hawkins - Head of Programmes	
Sean Henderson- Senior Finance & Administration Officer	
Elizabeth Dykstra-McCarthy-Programmes Administrator	resigned 31 July 2019
Charlotte Broyd-Communications Manager	
Maria Prado - Senior Policy & Advocacy Adviser	
Tippi Creed Waring - Communications Officer	appointed 30 January 2019
Nora Pesheva - Office Administrator	appointed 10 June 2019
Amanda Oduka - Programme Manager	appointed 9 December 2019

**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.

**COVID-19**

As well as the implications for people's health coronavirus (COVID-19) is having a significant impact on businesses and the economy. We anticipate the next twelve months will be a challenge for EAP in terms of income generation. The Board will draw on EAP's reserves to help ensure that the organisation can continue to deliver its programme and sustain its operations during a time of uncertainty.

**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.

**REPORT OF THE TRUSTEES  
for the year ended 31 December 2019**

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**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.

**PUBLIC BENEFIT**

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

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

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

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

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

**ACHIEVEMENTS AND PERFORMANCES**

**Achievements and Performance**

**ICED Facility**

EAP is part of an alliance, led by PriceWaterHouseCoopers, which delivered the Infrastructure and Cities for Economic Development (ICED) Facility, for the Department for International Development (DFID). Prior to the ICED Facility's completion in July 2019, EAP led one of its final work packages, advising DFID China in relation to investing in a Multilateral Cooperation on Development Finance Facility, which was being established by the Government of China. This involved desk-based research, interviews and a survey to help determine the needs of governments, and other stakeholders, in countries receiving foreign investment in infrastructure. An ICED Facility 'closure event' was held in July, at which EAP was asked to speak on international trends in infrastructure investment and the issues which any successor organisation to the ICED Facility might need to address. It is anticipated that DFID will procure such a successor in 2020.

**Roundtable on DFID transport and urban infrastructure spending**

EAP hosted a cross-section of infrastructure leaders at a roundtable in February, to discuss the Independent Commission on Aid Impact (ICAI)'s review into DFID transport and urban infrastructure spending. The discussions preceded the International Development Sub-Committee session on the work of ICAI which was held two days later, and where this review was discussed.

**REPORT OF THE TRUSTEES  
for the year ended 31 December 2019**

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### **CoST - the Infrastructure Transparency Initiative**

EAP continued to host the International Secretariat of CoST - the Infrastructure Transparency Initiative (CoST), the leading global initiative working to improve transparency and accountability in infrastructure. CoST achieved a number of successes at both the national and international level, a selection of which are below.

#### **CoST member achievements**

- By the end of 2019, CoST had promoted the disclosure of over 11,700 projects in line with the CoST Infrastructure Data Standard (CoST IDS), bringing the cumulative total to 38,514 projects globally. CoST Ukraine launched innovative, analytical dashboards on its open-data portal which, amongst other things, provide real-time information on the level of infrastructure investment, the distribution of road projects across the country and their comparative cost.
- In Thailand, greater transparency has reduced opportunities for corruption and created behavioural change amongst government and the private sector, leading to more efficient budget utilisation and increased competition. As well as the positive, long-term implications of this behavioural change, it has contributed to efficiency gains of US \$360 million since 2016.
- In Afghanistan, CoST assurance recommendations contributed to a Design Review Unit being established which saved US \$8 million through pre-contract design oversight.

#### **CoST International Secretariat achievements**

- CoST launched the Open Contracting for Infrastructure Data Standard (OC4IDS) in partnership with the Open Contracting Partnership. The OC4IDS connects previously siloed information on project and contract-level disclosure and enhances its accessibility through online platforms.
- The CoST membership competition, which was launched in early 2019, resulted in five new sub-national and national members from Mozambique, Ecuador, Timor-Leste, West Lombok, Indonesia and Jalisco State, Mexico.
- The flexibility of CoST's new membership model was demonstrated by two new sub-national members: Sekondi Takoradi, Ghana joined CoST as a full member and the Province of Buenos Aires as an affiliate member.
- CoST secured the endorsement of the highly influential Federation of International Consulting Engineers (FIDIC) following participation at their annual Global Conference in Mexico.
- The CoST approach was endorsed by the G20 and the OC4IDS received recognition from the C20.

### **Social equity, inclusive growth and fair opportunities**

#### **Africa catalyst**

EAP continued to collaborate with the Royal Academy of Engineering's Africa Catalyst programme, supporting engineering bodies in Rwanda and Nigeria to strengthen local engineering capacity. In June, EAP attended the 2019 Africa Catalyst Kick-Off meeting in Kigali, Rwanda. The aim of this meeting was to strengthen the network between different projects across Sub-Saharan Africa and help them to deliver their objectives. A key outcome of the workshop was the development of gender and inclusion policies by each professional body: for the Institution of Engineers Rwanda, their policy was built on principles that were already familiar in-country, such as a minimum requirement for 30% female representation. For other countries represented at the workshop, such as Nigeria, such policies are relatively new and pioneered a novel approach to diversity and inclusion in employment. As a result, all programmes have reported a positive impact from implementing these policies in their programmes. In Rwanda, this has led to the development of a Women in Engineering chapter to better target female engineering students at schools and university, and to connect more senior women in engineering with one another.

#### **Protecting the wages of migrant construction workers**

EAP published two pieces of research as part of its series "Protecting the Wages of Migrant Construction Workers" with a focus on the Gulf Cooperation Council (GCC). Following the publication of Part One in 2018, Part Two in the series explores the late or non-payment of wages to migrant construction workers in the GCC and proposes innovative policies which could offer preventative solutions. Meanwhile, Part Three looks beyond the countries of the GCC to examine effective wage protection measures in China, EU, US and Latin America which could be adopted in GCC countries and strengthen protective measures already in place.

#### **Sustainable and resilient infrastructure**

Sustainable and resilient infrastructure forms one of the key focus areas in the 2018-2023 EAP Strategy, and a roundtable was convened this year in order to help build EAP knowledge with industry experts. The roundtable enabled EAP staff to pinpoint where the organisation can best direct its approach. EAP will develop a case study in 2020, focussing on the reconstruction process in Mozambique after cyclones Idai and Kenneth. This will enable EAP to better understand the process of rebuilding in the aftermath of natural disasters, and to develop policies which encourage more resilient infrastructure to be built. The case study will also explore synergies with the CoST programme in Mozambique, pinpointing linkages between climate related disaster and infrastructure resilience and transparency.

**REPORT OF THE TRUSTEES  
for the year ended 31 December 2019**

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**Support of organisations**

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

ARUP

CoST - the Infrastructure Transparency Initiative

Department for International Development

Hogan Lovells

Institution of Civil Engineers

International Labour Organization

Open Society Foundation

PricewaterhouseCoopers (PwC)

Royal Academy of Engineering

University of the Witwatersrand

United Nations Development Programme

Institution of Civil Engineers

Institution of Chemical Engineers

World Bank

**Support of individuals**

The trustees express their sincere gratitude to all the individuals who have supported the Charity's work in 2019 but are too numerous to mention here.

**FINANCIAL REVIEW**

**Accounts**

The accounts for the year ended 31 December 2019 are shown in this annual report. The trustees consider that the reserves are sufficient to meet its needs and obligations. All funds are held on short term deposit.

**Unrestricted Fund**

The balance of unrestricted funds at 31 December 2019 was £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. At the year-end there were unrestricted funds of £741,839. Of this £505,000 is considered by the trustees to be held as reserves. This is equivalent to eight months operating cost which the trustees consider to be acceptable. £236,839 of unrestricted fund is considered to be free reserves which EAP will use to carry out its charitable objectives.

**STATEMENT OF TRUSTEES' RESPONSIBILITIES**

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

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

REPORT OF THE TRUSTEES  
for the year ended 31 December 2019

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**STATEMENT OF TRUSTEES' RESPONSIBILITIES - continued**

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 10 December 2020 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 2019 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 2019 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**

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

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

### **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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

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

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

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### **Responsibilities of trustees**

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

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

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

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Independent Auditors.

### **Use of our report**

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

*Magma Audit LLP*

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

Date: 18th December 2020.....

**ENGINEERS AGAINST POVERTY**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
for the year ended 31 December 2019

	Notes	Unrestricted fund £	Restricted fund £	2019 Total funds £	2018 Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>					
Donations and legacies	3	579	-	579	5,554
<b>Charitable activities</b>					
Grant from other institutions	5	8,000	-	8,000	26,500
Consultancy fees		110,004	-	110,004	110,040
CoST Charity		611,589	64,963	676,552	533,974
Investment income	4	1,162	-	1,162	449
<b>Total</b>		<b>731,334</b>	<b>64,963</b>	<b>796,297</b>	676,517
<b>EXPENDITURE ON</b>					
Raising funds	6	16,183	-	16,183	16,321
<b>Charitable activities</b>					
Resources expended	7	581,626	81,175	662,801	583,467
Other		26,542	-	26,542	23,990
<b>Total</b>		<b>624,351</b>	<b>81,175</b>	<b>705,526</b>	623,778
<b>NET INCOME/(EXPENDITURE)</b>		<b>106,983</b>	<b>(16,212)</b>	<b>90,771</b>	52,739
<b>RECONCILIATION OF FUNDS</b>					
Total funds brought forward		634,856	19,953	654,809	602,070
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>741,839</b>	<b>3,741</b>	<b>745,580</b>	654,809

The notes form part of these financial statements

STATEMENT OF FINANCIAL POSITION  
31 December 2019

	Notes	Unrestricted fund £	Restricted fund £	2019 Total funds £	2018 Total funds £
<b>FIXED ASSETS</b>					
Tangible assets	12	2,694	-	2,694	2,576
<b>CURRENT ASSETS</b>					
Debtors	13	133,164	-	133,164	131,926
Cash in hand		720,030	3,741	723,771	587,374
		<u>853,194</u>	<u>3,741</u>	<u>856,935</u>	<u>719,300</u>
<b>CREDITORS</b>					
Amounts falling due within one year	14	(114,049)	-	(114,049)	(67,067)
<b>NET CURRENT ASSETS</b>					
		<u>739,145</u>	<u>3,741</u>	<u>742,886</u>	<u>652,233</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>					
		<u>741,839</u>	<u>3,741</u>	<u>745,580</u>	<u>654,809</u>
<b>NET ASSETS</b>					
		<u>741,839</u>	<u>3,741</u>	<u>745,580</u>	<u>654,809</u>
<b>FUNDS</b>					
Unrestricted funds	16			741,839	634,856
Restricted funds				3,741	19,953
<b>TOTAL FUNDS</b>					
				<u>745,580</u>	<u>654,809</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 10/12/20 and were signed on its behalf by:



.....  
P Jowitt - Trustee



.....  
J Downham - Trustee

**ENGINEERS AGAINST POVERTY**  
**STATEMENT OF CASH FLOWS**  
for the year ended 31 December 2019

	Notes	2019 £	2018 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	<u>136,665</u>	<u>148,312</u>
Net cash provided by operating activities		<u>136,665</u>	<u>148,312</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(1,430)	-
Interest received		<u>1,162</u>	<u>449</u>
Net cash (used in)/provided by investing activities		<u>(268)</u>	<u>449</u>
<b>Change in cash and cash equivalents in the reporting period</b>			
Cash and cash equivalents at the beginning of the reporting period		<u>587,374</u>	<u>438,613</u>
Cash and cash equivalents at the end of the reporting period		<u>723,771</u>	<u>587,374</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 2019**

<b>1.</b>	<b>RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>2019</b>	2018
		<b>£</b>	<b>£</b>
	<b>Net income for the reporting period (as per the Statement of Financial Activities)</b>	<b>90,771</b>	52,739
	<b>Adjustments for:</b>		
	Depreciation charges	<b>1,312</b>	1,230
	Loss on disposal of fixed assets	-	462
	Interest received	<b>(1,162)</b>	(449)
	(Increase)/decrease in debtors	<b>(1,238)</b>	107,928
	Increase/(decrease) in creditors	<b>46,982</b>	(13,598)
	<b>Net cash provided by operations</b>	<b>136,665</b>	148,312

<b>2.</b>	<b>ANALYSIS OF CHANGES IN NET FUNDS</b>	<b>At 1/1/19</b>	<b>Cash flow</b>	<b>At 31/12/19</b>
		<b>£</b>	<b>£</b>	<b>£</b>
	<b>Net cash</b>			
	Cash at bank and in hand	<b>587,374</b>	<b>136,397</b>	<b>723,771</b>
		<b>587,374</b>	<b>136,397</b>	<b>723,771</b>
	<b>Total</b>	<b>587,374</b>	<b>136,397</b>	<b>723,771</b>

## ENGINEERS AGAINST POVERTY

### NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2019

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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 (£).

##### **Going concern**

The trustees have assessed the financial position of the charitable company in light of the COVID-19 outbreak. At 31 December 2019 the charity had net current assets of £742,886 (2018: £652,233) and net assets of £745,580 (2018: £654,809). The trustees have assessed future cash flow forecasts and the potential impact of the outbreak and consider the company to have sufficient resources to meet its liabilities as they fall due for at least twelve months from the signing of these 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 consistent of governance costs which include those incurred in the governance of the charitable company and are primarily associated with constitutional and statutory requirements.

##### **Tangible fixed assets and depreciation**

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

Depreciation is provided on the following basis:

## ENGINEERS AGAINST POVERTY

### NOTES TO THE FINANCIAL STATEMENTS - continued for the year ended 31 December 2019

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#### 1. ACCOUNTING POLICIES - continued

##### **Tangible fixed assets and depreciation**

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 charities restricted fund relates to an element of income received from The Construction Sector Transparency Initiative (CoST) of which is restricted to support CoST in achieving their objective of 'helping participating countries deliver better value from public infrastructure'.

##### **Debtors**

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

##### **Cash and cash equivalents**

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

##### **Creditors**

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

##### **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**

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.



**ENGINEERS AGAINST POVERTY**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
for the year ended 31 December 2019**

**1. ACCOUNTING POLICIES - continued**

**Financial instruments**

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.

**2. 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.

**3. DONATIONS AND LEGACIES**

	<b>2019</b>	2018
	<b>£</b>	£
Sponsored fundraising events	<b>263</b>	5,129
Appeals	<b>316</b>	425
	<u><b>579</b></u>	<u>5,554</u>

**4. INVESTMENT INCOME**

	<b>2019</b>	2018
	<b>£</b>	£
Interest receivable	<b>1,162</b>	449
	<u><b>1,162</b></u>	<u>449</u>

**5. INCOME FROM CHARITABLE ACTIVITIES**

		<b>2019</b>	2018
	Activity	<b>£</b>	£
Africa Catalyst Programme	Grant from other institutions	<b>8,000</b>	11,500
Institution of Civil Engineers	Grant from other institutions	-	15,000
Consultancy fees	Consultancy fees	<b>110,004</b>	110,040
CoST	CoST Charity	<b>676,552</b>	533,974
		<u><b>794,556</b></u>	<u>670,514</u>

**ENGINEERS AGAINST POVERTY**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
for the year ended 31 December 2019**

**6. RAISING FUNDS**

**Raising donations and legacies**

	<b>2019</b>	2018
	£	£
Staff costs	<b>15,169</b>	14,201

**Other trading activities**

	<b>2019</b>	2018
	£	£
Bank charges	<b>(298)</b>	428
Depreciation	<b>1,312</b>	1,230
	<b>1,014</b>	1,658

**Investment management costs**

	<b>2019</b>	2018
	£	£
Loss on sale of assets	-	462
Aggregate amounts	<b>16,183</b>	16,321

**7. CHARITABLE ACTIVITIES COSTS**

	<b>Total Funds 2019</b>	Total Funds 2018
	£	£
<b>Provision of charitable services:</b>		
Wages	<b>261,538</b>	240,849
Travel and subsistence	<b>6,164</b>	5,899
Consultancy costs	<b>249,312</b>	189,799
Support costs	<b>145,787</b>	146,920
	<b>662,801</b>	583,467

Analysis of support services is as follows:-

	<b>Total Funds 2019</b>	Total Funds 2018
	£	£
Wages	<b>58,149</b>	45,333
Rent and other services	<b>48,124</b>	48,238
Insurance	<b>5,587</b>	5,096
Postage and stationery	<b>3,854</b>	8,074
Sundries	<b>17,772</b>	21,839
Subscriptions	<b>1,095</b>	729
IT and communications	<b>11,206</b>	17,611
	<b>145,787</b>	146,920

**ENGINEERS AGAINST POVERTY**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
for the year ended 31 December 2019**

**8. SUPPORT COSTS**

	Governance costs £
Other resources expended	<b>26,542</b>

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

	2019 Other resources expended £	2018 Total activities £
Wages	<b>20,615</b>	<b>18,421</b>
Auditors remuneration	<b>5,927</b>	<b>5,623</b>
	<b>26,542</b>	<b>24,044</b>

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

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

	2019 £	2018 £
Auditors remuneration	<b>5,927</b>	5,623
Depreciation - owned assets	<b>1,312</b>	1,229
Deficit on disposal of fixed assets	-	462
Pension costs	<b>11,743</b>	11,084
Operating lease commitments	<b>48,124</b>	48,238

**10. TRUSTEES' REMUNERATION AND BENEFITS**

There were no trustees' remuneration or other benefits for the year ended 31 December 2019 nor for the year ended 31 December 2018.

**Trustees' expenses**

During the year, trustees received expenses of £1,862 (2018: £472) for travel and other expenses.

**11. STAFF COSTS**

	2019 £	2018 £
Wages and salaries	<b>297,322</b>	273,471
	<b>297,322</b>	273,471

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

	2019	2018
Administration and directorate	<b>3</b>	2
Project Programme Officers	<b>5</b>	5
	<b>8</b>	7

**ENGINEERS AGAINST POVERTY**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
for the year ended 31 December 2019**

**11. STAFF COSTS - continued**

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

	<b>2019</b>	2018
£60,001 - £70,000	<b>1</b>	-
£70,001 - £80,000	<b>1</b>	1
	<u><b>2</b></u>	<u>1</u>

**12. TANGIBLE FIXED ASSETS**

	Website £	Office equipment £	Totals £
<b>COST</b>			
At 1 January 2019	<b>2,393</b>	<b>9,640</b>	<b>12,033</b>
Additions	-	<b>1,430</b>	<b>1,430</b>
At 31 December 2019	<u><b>2,393</b></u>	<u><b>11,070</b></u>	<u><b>13,463</b></u>
<b>DEPRECIATION</b>			
At 1 January 2019	<b>2,393</b>	<b>7,064</b>	<b>9,457</b>
Charge for year	-	<b>1,312</b>	<b>1,312</b>
At 31 December 2019	<u><b>2,393</b></u>	<u><b>8,376</b></u>	<u><b>10,769</b></u>
<b>NET BOOK VALUE</b>			
At 31 December 2019	<u><u>-</u></u>	<u><u><b>2,694</b></u></u>	<u><u><b>2,694</b></u></u>
At 31 December 2018	<u><u>-</u></u>	<u><u>2,576</u></u>	<u><u>2,576</u></u>

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

	<b>2019</b>	2018
	£	£
Trade debtors	-	40,463
Accrued income	<b>129,785</b>	74,625
Other debtors	-	1,456
Prepayments	<b>3,379</b>	15,382
	<u><u><b>133,164</b></u></u>	<u><u>131,926</u></u>

ENGINEERS AGAINST POVERTY

NOTES TO THE FINANCIAL STATEMENTS - continued  
for the year ended 31 December 2019

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019	2018
	£	£
Trade creditors	90,828	26,396
VAT	285	5,030
Other creditors	8,066	2,566
Accruals and deferred income	14,870	33,075
	<u>114,049</u>	<u>67,067</u>

15. LEASING AGREEMENTS

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

	2019	2018
	£	£
Within one year	<u>10,345</u>	<u>41,379</u>

16. MOVEMENT IN FUNDS

	At 1/1/19	Net movement in funds	At 31/12/19
	£	£	£
<b>Unrestricted funds</b>			
General fund	634,856	106,983	741,839
<b>Restricted funds</b>			
Restricted	19,953	(16,212)	3,741
<b>TOTAL FUNDS</b>	<u>654,809</u>	<u>90,771</u>	<u>745,580</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	731,334	(624,351)	106,983
<b>Restricted funds</b>			
Restricted	64,963	(81,175)	(16,212)
<b>TOTAL FUNDS</b>	<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 2019

16. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

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

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

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

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

	At 1/1/18 £	Net movement in funds £	At 31/12/19 £
<b>Unrestricted funds</b>			
General fund	591,790	150,049	741,839
<b>Restricted funds</b>			
Restricted	10,280	(6,539)	3,741
<b>TOTAL FUNDS</b>	<u>602,070</u>	<u>143,510</u>	<u>745,580</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	1,342,567	(1,192,518)	150,049
<b>Restricted funds</b>			
Restricted	130,247	(136,786)	(6,539)
<b>TOTAL FUNDS</b>	<u>1,472,814</u>	<u>(1,329,304)</u>	<u>143,510</u>

## ENGINEERS AGAINST POVERTY

### NOTES TO THE FINANCIAL STATEMENTS - continued for the year ended 31 December 2019

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#### 17. EMPLOYEE BENEFIT OBLIGATIONS

At the year end the total pensions payable were £4,934 (2018: £1,266).

#### 18. 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 £676,553 (2018: £533,974) 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 £129,731 (2018: £45,261). The recharge includes an element of Petter Matthew's time.

#### 19. POST BALANCE SHEET EVENTS

Since the balance sheet date the world has suffered a COVID-19 outbreak, and volatility in the markets.

The trustees have considered the effect this may have had on the Charity, and although unclear what longer term impact this will have on the charitable activities, they are informed by the Government's guidance that the issue will be time limited.

This will continue to be a developing situation and as such a reasonable estimate of the financial effect of this outbreak on the charity cannot feasibly be made.

The trustees have assessed the above and consider the charity to be a going concern.