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ENGINEERS

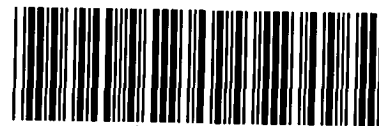
WITHOUT BORDERS

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

ENGINEERS WITHOUT BORDERS UK

**REPORT & FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH
2017**

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Reference and Administrative Information

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

Trustees:

Sarah Bowden, reappointed 05 January 2017
Stephen Jones, appointed 26 June 2017
Alec Leggat, appointed 05 January 2017
Jon Prichard, **Chair**, appointed 05 January 2017
Sam Rose, **Treasurer**, reappointed 05 January 2017
Nick Tyler, reappointed 05 January 2017

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

Richa Bhuttar, resigned 25 September 2016
Natalie Bird, resigned 20 September 2017
Alexa Bruce, resigned 05 January 2017
Sacha Grodzinski, resigned 25 September 2016
Peter Hansford, resigned 05 January 2017
Roger Littlewood, resigned 25 September 2016
Tom Newby, resigned 29 March 2017
Long Seng To, resigned 20 September 2017

Principal Staff:

Doug Harper, Chief Executive, appointed August 2014, Secretary appointed September 2016, resigned 14th July 2017

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

Bank: The Co-operative Bank, 75 Burleigh Street, Cambridge CB1 1DF
CAF Bank, 25 Kings Hill Avenue, Kings Hill, West Malling
Kent, ME19 4JQ

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

Trustees Report

Structure, Governance & Management

Governing document

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

Recruitment and appointment of the Board of Trustees

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

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

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

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

Organisational structure

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

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

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

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

Affiliated organisations

A number of local groups are affiliated to Engineers Without Borders through an agreement which allows the affiliate to represent Engineers Without Borders UK and carry out fundraising and other activities on its behalf. During the financial year 2016/17 these affiliates were all student societies at UK universities. The following universities had recognised affiliated member groups during 2016/17:

Brunel University London	University of Bristol
Cardiff University	University of Cambridge
City University (London)	University of Edinburgh (until August 2017)
De Montfort University	University of Exeter
Durham University	University of Glasgow
Imperial College London	University of Leeds
FXU	University of Manchester
Loughborough University	University of Nottingham
Newcastle University	University of Oxford
Plymouth University	University of West of England
Queen Mary University London	University of Salford
University College London	University of Sheffield
University of Bath	University of Southampton
University of Birmingham	University of Strathclyde
University of Brighton	University of Warwick

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

Regional networks

Engineers Without Borders UK also has several regional networks. These networks provide informal opportunities for individuals who are interested in the organisation's work to meet and attend local events. During the financial year 2016/17 the following regional networks were active:

London Regional Network

South West Regional Network

Reading Regional Network

West Midlands Regional Network

South East Regional Network

Risk management

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

The principal risks and uncertainties facing the charity include risks associated with the generation of income, in particular reliance on a small number of large donors, and the health and safety of volunteers undertaking work on behalf of Engineers Without Borders UK or attending Engineers Without Borders UK events. Plans are in place to diversify the income base of Engineers Without Borders UK and procedures are in place to ensure compliance with health and safety for volunteers. These plans and procedures are periodically reviewed to ensure that they continue to meet the needs of the charity.

Objectives and activities

Engineers Without Borders UK's charitable objects are as follows:

- Relieve, or assist in the relief of, poverty and suffering in the UK and throughout the world, in particular but without limitation to;

- coordinating, funding and participating in development projects, particularly projects or parts of projects with a strong engineering or technical component
 - providing and promoting theoretical and practical training in sustainable development
 - providing experience to and stimulating interest among those with strong potential in the field of development work
 - promoting, coordinating and funding research on development topics, particularly those with a strong engineering or technical component
 - the raising of public awareness of development issues, particularly those related to engineering or technology, and
 - the provision of assistance to other organisations with objectives aligned with those of the Charity by providing them with human and other resources
- Advance education, in particular but without limitation to;
- sustainable development in the UK and in other parts of the world, particularly in developing countries and
 - the causes and effects of poverty and suffering
- To promote such other exclusively charitable purposes under the law of England and Wales as the Trustees may from time to time resolve.

In furtherance of these objects the organisation has, since April 2016, been following a five-year strategy based around a vision of *'a world where people everywhere have equal access to the benefits of engineering'* and a mission to *'lead a movement that inspires, enables and influences global responsibility through engineering'*. The 2016-21 strategy sets out three strategic objectives:

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

Operationally, during the financial year 2016/17, Engineers Without Borders UK ran several national initiatives. These initiatives can be broadly split between international project work, which aims to contribute to the technical aspects of development projects, and our efforts to

change the focus of engineering education in the UK to have more emphasis on a 'global dimension'.

In addition to these ongoing initiatives, the organisation exploits shorter term opportunities to advance our objectives. We also advertise and assist with the recruitment of participants for international training courses run by one of our partner NGOs in Mexico.

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

The vital role that volunteers play in our organisation continues to be an important part of who we are. During the year in question Engineers Without Borders UK employed an average of 10 FTE staff and these were assisted by more than 60 dedicated volunteers who contributed hundreds of hours to the work of the national charity. Volunteers in our affiliated member groups further contributed countless hours in their local area. We would not be able to achieve all that we do without their valuable efforts.

Statement of Public Benefit

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

Achievements and Performance

The early part of the year in question was dominated by the launch of our new five year strategy: Engineering Change. This set clear objectives for the organisation, with associated targets and objectives. The organisation was also recognised with a number of national awards throughout the year, including an innovation award for our work in engineering education and recognition for excellent HR and financial management.

Our work in education continues to gain credibility and reach larger audiences. Our 'Ambassador' scheme has proved successful with over 600 people now appropriately trained to deliver our outreach resources in schools and youth groups around the country. At university level, the EWB Challenge was relaunched as the Engineering for People Design Challenge, using an adapted model that was more bespoke to the UK education system.

With regards to our international project work, we piloted a new model for student engagement with development work called the Global Engineer Fellowships as well as consolidated recent improvements that have improved the focus and impact of our work.

Other notable achievements include a governance review that ensured that the procedures in place were suitable for delivering the 2016-21 strategy and the initiation of a membership review to ensure that the Engineers Without Borders UK membership structure is financially sustainable and appropriately supports the organisation's strategic objectives.

Financial Review

As expected, expenditure exceeded income during the year in question. This was due to the drawing down of the multi-year donation received from Anglo American to fund the Engineering for People Design Challenge (previously called the EWB Challenge). At year end Unrestricted Funds available to Engineers Without Borders UK had increased by 10% to £261,714 (2015/16 £236,559).

We raised a total income of £657,519 (2015/16 £559,108) including gifts in kind worth £158,728 (2015/16 £92,365). 38% of income was in Unrestricted funds (2015/16 63%).

Our expenditure for the year was £734,509 (2015/16 £684,733), including the value of gifts in kind. Costs for running the Engineering for People Design Challenge increased to £237,849 (2015/16 £196,769), reflecting the continued expansion of the programme and the investment in a new online portal. The International Placement Programme decreased in cost to £214,656 (2015/16 £254,938), achieved through costs saving within the programme. Costs for Generating Voluntary income fell to £7,933 (2015/16 £11,066). Expenditure on Community Areas increased to £161,248 (2015/16 £83,098), largely attributable to the recruitment of a Membership Officer as a full-time member of staff. Governance costs fell slightly to £6,029 (2015/16 £8,962).

Reserves

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

The reserves policy is reviewed annually by the Board of Trustees and, for the year in question, remained unchanged from the previous year.

Unrestricted reserves are to be in a range between £128k and £192k. This represents approximately 4-6 months operating costs, including staff salaries, based on the current operating budget.

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

At 31 March 2017 the total Unrestricted fund stood at £261,714, 32% above the range specified in the reserve policy.

Plans for Future Periods

Continuing to work towards our 2016-21 strategy, current initiatives will be improved in the year ahead and expanded where appropriate. If, after analysis, it is felt that they do not adequately contribute towards any of our strategic objectives then they will be tailored appropriately or cancelled. This is to ensure that we are using the charity's resources to have the greatest impact against our objectives. Our educational programmes will reach wider

audiences than ever before with a target of 35 universities for the next iteration of the Engineering for People Design Challenge. We also hope to train at least 200 new 'EWB Ambassadors' to deliver our Outreach workshops.

Our international work will be more focused, with a greater emphasis on impact, and we will seek new opportunities to collaborate with partner organisations. We still recognise that long standing relationships are better able to withstand challenges whilst also providing a more meaningful return to local communities. Accordingly, we will continue to develop our partnership relationships with this in mind. We will also look to further improve our due diligence processes to ensure that Engineers Without Borders UK adds the maximum value to our partners and the communities in which they work.

A significant focus will be the implementation and development of an individual membership facility. This will enable people to become members of the organisation and take part in the governance, including being able to become a Trustee.

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

Statement of Responsibilities of the Board of Trustees

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities Statement Of Recommended Practice;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Investment (Scotland) Act 2005 and the Charity Accounts Regulations 2006.

They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

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

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

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

Appointment of Auditors

Mazars LLP were appointed to complete a statutory audit of our annual report and accounts for the year ended 31 March 2017, in line with the requirements of the Charities Act 2006.

Approved by the Board of Trustees on 11 December 2017 and signed on its behalf by:



Jon Prichard
Chair

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

We have audited the financial statements of Engineers Without Borders UK for the year ended 31 March 2017 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. 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 FRS102, "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Respective responsibilities of trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement set out on pages 10-11, 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.

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors. This report is made solely to the charity'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 charity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's members as a body for our audit work, for this report, or for the opinions we have formed.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2017 and of its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and

- have been prepared in accordance with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

Opinion on the other matter prescribed by the Companies Act 2006

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

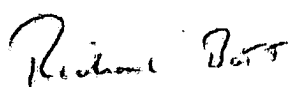
- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters where the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- the charity has not kept proper and adequate accounting records 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' directors' 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 in preparing the Trustees' Report and take advantage of the small companies exemption from the requirement to prepare a Strategic Report.



Richard Bott (Senior Statutory Auditor)
for and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor
90 Victoria Street, Bristol, BS1 6DP

Date
14 December 2017

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

Statement of Financial Activities for the year ended 31 March 2017
(incorporating an income and expenditure account)

	Notes	Unrestricted Funds £	Restricted funds £	Total 2017 £	Total 2016 £
Income and endowments from:					
Donations and legacies	3	238,640	369,799	608,439	507,079
Charitable activities		7,215	36,055	43,270	47,599
Other trading activities		4,441	325	4,766	4,082
Investment income		1,044	0	1,044	348
Total		251,340	406,179	657,519	559,108
Expenditure on:					
Raising funds	4	(7,933)	0	(7,933)	(11,066)
Charitable activities	4/9	(115,300)	(611,276)	(726,576)	(673,667)
Total		(123,233)	(611,276)	(734,509)	(684,733)
Net income/(expenditure) before gains/(losses) on investments		128,107	(205,097)	(76,990)	(125,625)
Gain/(losses) on investments	6	1,835	0	1,835	(708)
Transfer between funds	9	(104,787)	104,787	0	0
Net movement in funds		25,155	(100,310)	(75,155)	(126,333)
Reconciliation of funds					
Funds brought forward	10	236,559	165,669	402,228	528,561
Funds carried forward	9/10	261,714	65,359	327,073	402,228

Continuing operations

All incoming resources and resources expended derive from continuing activities.

Total recognised gains and losses

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

The notes on pages 17 to 26 form part of these financial statements.

Company Number: 04856607

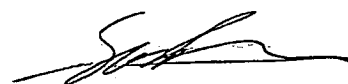
Balance Sheet as at 31 March 2017

	Notes	2017 £	2016 £
Fixed Assets			
Tangible assets	5	10,093	13,927
Investments	6	32,171	29,292
Total fixed assets		42,264	43,219
Current Assets			
Debtors: Due in one year	7	68,191	86,751
Cash at bank and in hand		228,942	280,603
Total current assets		297,133	367,354
Creditors: Amounts falling due within one year	8	(12,324)	(8,345)
Net current assets		284,809	359,009
Total assets less current liabilities		327,073	402,228
Funds:			
Unrestricted Funds	10	261,714	236,559
Restricted Funds	9	65,359	165,669
Total funds		327,073	402,228

On behalf of the Trustees:



Jon Prichard
Chair



Samuel Rose ACA
Treasurer

Approved and authorised for issue by the Board on 11th December 2017.

Cash Flow Statement for the year ended 31 March 2017

	2017	2016
	£	£
Cash flows from operating activities:		
<i>Net cash provided by (used in) operating activities - see below</i>	(52,170)	(39,892)
Cash flows from investing activities:		
Interest received	773	348
Purchase of investments	0	(30,000)
Purchase of property, plant and equipment	(264)	(22,801)
<i>Net cash provided by (used in) investing activities</i>	509	(52,453)
Change in cash and cash equivalents from activities in the year ended 31 March 2017	(51,661)	(92,345)
Cash and cash equivalents at 1 April 2016	280,603	372,948
Cash and cash equivalents at 31 March 2017	228,942	280,603
Reconciliation of net income/(expenditure) to net cash flow from operating activities		
Net income/(expenditure) as shown in the Statement of Financial Activities	(75,155)	(126,333)
<i>Adjustments for:</i>		
Depreciation charges	4,098	3,506
Dividends, interest and rents from investments	(1,817)	(348)
Loss on disposal of assets	0	5,368
Loss/(gain) on investments	(1,835)	708
Decrease/(increase) in debtors	18,560	89,414
Increase/(decrease) in creditors	3,979	(12,207)
Net cash provided by (used in) operating activities	(52,170)	(39,892)

Notes to the Financial Statements for the year to 31st March 2017

1. Accounting policies

Basis of Preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. The Charity constitutes a public benefit entity as defined by FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

Preparation of the Accounts on a Going Concern Basis

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

Incoming Resources

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

Grants Receivable

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

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

Donations and Legacies

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

Restricted Income

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

Donated Goods, Services & Facilities

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

Fundraising Events

Fundraising events income is included in voluntary income as the funds received are by nature donations rather than funds paid to gain a benefit. Event income to which Engineers Without

Borders UK has a legal entitlement and that is being held by a third party agent is recognised on a receivable basis.

Resources Expended

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

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

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

Governance Costs

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

Support Costs

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

Fund Accounting

Unrestricted funds are the funds that are available for use at the discretion of the trustees in furtherance of the general objectives of the charity.

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

Fixed Assets Investments

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

Debtors

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

Creditors and provisions

All creditors and provisions arising from ongoing activities are included.

Financial instruments including cash and bank balances

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

Judgements and key sources of estimation uncertainty

No significant judgements have had to be made by management in preparing these financial statements.

Pension Accounting

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

Operating Lease

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

Transfers

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

Foreign Currencies

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

Taxation

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

Fixed Assets

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

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

2. Turnover

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

3. Donations and Legacies

	Unrestricted Funds £	Restricted Funds £	Total 2017 £	Total 2016 £
Donations	18,146	46,707	64,853	70,812
Grants	45,131	59,290	104,421	118,984
Sponsorship	160,537	119,900	280,437	224,918
Gift in kind income	14,826	143,902	158,728	92,365
Voluntary Income	238,640	369,799	608,439	507,079

4. Expenditure

4a. Total Expenditure

	Direct Costs £	Support Costs £	Total 2017 £	Total 2016 £
Charitable Expenditure: Programme Areas				
EWB Challenge	200,471	37,378	237,849	196,769
GDEE EuropeAid	0	0	0	37,304
International Placement Programme	179,507	35,149	214,656	254,938
International Education	0	0	0	0
Member Led Partnerships	35,226	13,800	49,026	40,743
Outreach	43,264	14,504	57,768	51,853
Charitable Expenditure: Community Areas				
EWB Community	129,581	31,667	161,248	83,098
Charitable Expenditures:				
Governance	5,643	386	6,029	8,962
Costs of Generating Voluntary Income				
Fundraising	4,127	282	4,409	8,385
Press and publications	3,299	225	3,524	2,681
Net Charitable Expenditure	601,118	133,391	734,509	684,733

4b. Audit Fee

Governance costs include the audit fee of £6,120 (2016; £6,120)

4c. Support Costs

	Total 2017 £	Total 2016 £	Allocation
Finance	14,263	12,656	Allocated in line with proportion of direct costs
IT and Website	53,150	49,625	Allocated in line with proportion of direct costs
Facilities	52,949	56,313	Allocated in line with proportion of direct costs
Insurance	1,987	12,573	Allocated in line with proportion of direct costs
CEO	11,042	8,905	Allocated in line with proportion of direct costs
Total	133,391	140,072	

4d. In Kind Expenditure

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

	Total 2017 £	Total 2016 £
Communications	0	0
Facilities	3,000	4,785
Training	3,825	9,210
IT	51,218	49,413
Consultancy	92,735	25,490
Publications	7,950	467
Research	0	3,000
Total	158,728	92,365

5. Tangible fixed assets

	Fixtures & Fittings	Computer and Office Equipment	Total
	£	£	£
Cost			
At 1 April 2016	7,679	9,754	17,433
Additions	264	0	264
Disposal	0	0	0
At 31 March 2017	7,943	9,754	17,697
Accumulated Depreciation			
At 1 April 2016	1,419	2,087	3,506
Charge for the year	1,571	2,527	4,098
At 31 March 2017	2,990	4,614	7,604
Net Book Value			
At 31 March 2017	4,953	5,140	10,093
At 31 March 2016	6,260	7,667	13,927

6. Fixed Asset Investments

	Listed Investments 2017	Listed Investments 2016
	£	£
Market Value		
Brought forward	29,292	0
Addition	-	30,000
Income from dividend	1,044	-
Revaluations	1,835	(708)
At 31 March 2017	32,171	-
At 31 March 2016	-	29,292
	2017	2016
	£	£
Analysed as follows:		
Bond	32,171	29,292

7. Debtors

	Total 2017 £	Total 2016 £
Trade debtors	66,613	85,375
Accrued income	1,183	271
Other debtors	395	1,105
Total debtors	68,191	86,751

8. Creditors – amounts falling due within one year

	Total 2017 £	Total 2016 £
Trade creditors		791
Taxation and social security	1,807	0
Accruals	10,517	7,554
Total	12,324	8,345

9. Restricted Funds

	Funds as at 1 April 2016	Income	Expenditure	Transfers	Funds as at 31 March 2017
EWB Challenge	147,925	121,835	(206,876)	0	62,884
EWB Community	0	84,622	(135,122)	50,500	0
International Placement Programme	0	159,911	(185,116)	25,918	713
Member Led Partnerships	0	9,616	(37,985)	28,369	0
Outreach	17,744	30,195	(46,177)	0	1,762
Total	165,669	406,179	(611,276)	104,787	65,359

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

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

EWB Community:	Income raised in relation to sustaining the member group structure and for organising conferences, events and seminars for the wider Engineers Without Borders Community.
International Placement Programme:	Provides qualified volunteer engineers to enhance the engineering skills and knowledge of our partner organisations while also providing a valuable learning experience for the volunteer. This fund also includes income donated for the pilot of the Global Engineer Fellowship programme.
Member Led Partnerships:	Enables affiliated member-groups to develop working partnerships with international development organisations and contribute to projects.
Outreach:	A series of workshops delivered by either staff or our volunteer ambassadors to school children. The workshops introduce participants to the role that engineering can play in human development.

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

10. Total funds reconciliation

	Funds as at 1 April 2016	Income	Expenditure	Transfers	Gain on investment	Funds as at 31 March 2017
	£	£	£	£	£	£
Restricted Funds	165,669	406,179	(611,276)	104,787	0	65,359
Unrestricted Funds	236,559	251,340	(123,233)	(104,787)	1,835	261,714
Total funds	402,228	657,519	(734,509)	0	1,835	327,073

11. Analysis of net assets

	Unrestricted Funds	Restricted Funds	Total Funds
	£	£	£
Tangible fixed assets	10,093	0	10,093
Investment assets	32,171	0	32,171
Current assets	231,774	65,359	297,133
Creditors due in less than one year	(12,324)	0	(12,324)
Total net assets	261,714	65,359	327,073

12. Staff costs

12a. Staff costs and employment benefits

	Total 2017 £
Salaries and wages	302,889
Social security	29,424
Pension costs	9,635
Total	341,948

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

12b. Full time equivalent number of employees

	Total 2017	Total 2016
Programme staff	9	6.75
Support staff	0.10	1.25
Total	9.10	8.00

Average headcount was 10.

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

12c. Key Management Personnel

Key management personnel include senior staff who manage the key activities of the Charity on a day to day basis. This is deemed to include the CEO, the Head of Education, the Head of International Partnerships, and the Head of Fundraising and Communications. The total employee benefits of key management personnel were £172,121 (2016; £155,240).

13. Pensions

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

14. Other Financial Commitments

At 31 March 2017 Engineers Without Borders UK was committed to making the following payments under non-cancellable operating leases in the forthcoming financial year. Rentals paid under operating leases are charged to income on a straight line basis over the lease term.

	Total 2017 £	Total 2016 £
Operating leases which expire:		
Within 1 year	13,340	9,590
	13,340	9,590

During the year operating lease expenses £ 33,194 was recognised in the accounts as expenditure.

15. Trustees Remuneration and Expenses

The Trustees are not remunerated for their work with Engineers Without Borders UK. However, during the year two of the trustees were reimbursed for expenses incurred, a total of £167 for travel and miscellaneous expenses incurred when attending trustee meetings and branch society meetings (2016; £993).

16. Related party transactions

There were no related party transactions during the year.