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ENGINEERS

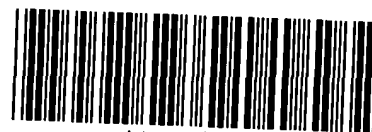
WITHOUT BORDERS

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

ENGINEERS WITHOUT BORDERS UK

**REPORT & FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH
2018**

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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:

Alec Leggat, appointed January 2017
Jon Prichard, **Chair**, appointed January 2017
Nick Tyler, appointed October 2010, re-appointed December 2014 and January 2017
Stephen Lindley-Jones, appointed June 2017
Laura Sergeant, **Treasurer**, appointed March 2018
Helena Barratt, appointed June 2018
Navjot Sawhney, elected June 2018
Martin Findlay, elected June 2018

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

Natalie Bird, resigned September 2017
Long Seng To, resigned September 2017
Sam Rose, **Treasurer**, resigned January 2018
Sarah Bowden, resigned March 2018

Principal Staff:

Doug Harper, Chief Executive, appointed August 2014, Secretary appointed September 2016, resigned 14th July 2017
Katie Cresswell-Maynard, Chief Executive, appointed September 2017, Secretary appointed September 2017.

Auditors: Mazars LLP, 90 Victoria Street, Bristol, BS1 6DP
Bank: 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 private charitable 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.

The Board consists of eight Trustees. Trustees serve an initial three-year term and 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 2017/18 the following universities had recognised affiliated member groups with Engineers Without Borders UK:

Cardiff University	University of Cambridge
Durham University	University of Exeter
Falmouth & Exeter Student Union	University of Glasgow
Newcastle University	University of Leeds
Queen Mary University of London	University of Manchester
Swansea University	University of Nottingham
University College London	University of Sheffield
University of Aberdeen	University of Southampton
University of Bath	University of Strathclyde
University of Birmingham	University of Surrey
University of Bradford	University of Warwick
University of Bristol	University of West of England

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 objects 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.

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.

Procedures are in place to ensure compliance with health and safety for volunteers undertaking work on behalf of Engineers Without Borders UK or attending Engineers Without Borders UK events. These procedures are periodically reviewed to ensure that they continue to meet the needs of the charity.

Objectives and activities

In April 2016, Engineers Without Borders UK set out 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 2017/18, 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, for example, in 2017/18 this included our involvement in national public engagement campaigns to improve public perceptions of engineering such as Tomorrow's Engineers Week and the Big Bang science and engineering fairs.

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

headcount of 9 staff and these were assisted by more than 80 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 had 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 saw the launch of our new membership, with the option for individuals to become members of Engineers Without Borders UK and for university societies to affiliate as member groups.

Our work in education continues to gain credibility and reach larger audiences with close to 20% of the engineering undergraduate intake participating in our Engineering for People Design Challenge across 28 universities in the UK and Ireland.

With regards to our international project work, we delivered close to 20,800 hours on a pro bono basis to partners working overseas addressing the water, sanitation, energy and built environment needs of lower-income communities.

Financial Review

Income exceeded expenditure during the year in question. This was due to the increase in funding from Grants and Gifts in Kind and reduction in expense on the Engineering for People Design Challenge. At year end Unrestricted funds available to Engineers Without Borders UK had increased by 16% to £303,754 (2016/17 £261,244).

We raised a total income of £739,166 (2016/17 £657,519) including gifts in kind worth £175,113 (2016/17 £158,728). 58% of income was in Unrestricted funds (2016/17 38%).

Our expenditure for the year was £698,630 (2016/17 £734,509), including the value of gifts in kind. Costs for running the Engineering for People Design Challenge decreased to £187,912 (2016/17 £237,849), reflecting the investment in a new online portal in 2016/17. The International Placement Programme increased in cost to £234,349 (2016/17 £214,656), due to an increased number of placements. Costs for Generating Voluntary income fell to £1,069 (2016/17 £7,933). Expenditure on Community Areas decreased to £159,491 (2016/17 £161,248). Governance costs increased slightly to £6,902 (2016/17 £6,029).

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, increased from the previous year to reflect the growth of the organisation.

Unrestricted reserves are to be in a range between £200k and £300k. This represents approximately 4-6 months operating costs, including staff salaries, based on the operating budget for financial year 2017-18.

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 2018 the total Unrestricted fund stood at £303,754, which is 0.01% above the range specified in the reserve policy.

Plans for Future Periods

Continuing to work towards the implementation of 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 6,500 students for the next iteration of the Engineering for People Design Challenge. We also hope to explore and expand our working relationship with universities.

We are currently evaluating our international work and its impact towards the 2016-21 strategy. In the meantime we will continue to work with our existing international partners.

A significant focus will be the development of our membership facility which was implemented last year. There were 342 members at the 31st March 2018 and we look to grow this to nearer 600 by the end of the year.

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, in South Africa 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 2018, in line with the requirements of the Charities Act 2006.

Approved by the Board of Trustees on 19 September 2018 and signed on its behalf by:



Jon Prichard
Chair

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

Opinion

We have audited the financial statements of Engineers Without Borders UK (the 'charity') for the year ended 31 March 2018 which comprise the Statement of Financial Activities, Balance Sheet, Cash Flow Statement 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, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2018 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 requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity 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 charity'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 Trustees Report, other than the financial statements and our auditor's report 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 Trustees' Report which includes the Directors' Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report included within 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 Directors' Report included within the Trustees' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and Charities Accounts (Scotland) Regulations 2006 requires us to report to you if, in our opinion:

- adequate and proper 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 specific by law are not made;
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption

in preparing the Trustees' Report and from the requirement to prepare a Strategic Report.

Responsibilities of Trustees

As explained more fully in the trustees' responsibilities statement set out on page 9, 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 charity'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 charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

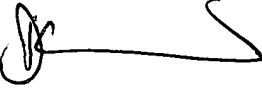
We have been appointed as auditors under Section 44(1)(C) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

Our 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 an auditor's report 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. This description forms part of our auditor's report.

Use of the audit report

This report is made solely to the 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 company'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 company and the company's members as a body for our audit work, for this report, or for the opinions we have formed.

Signed: 

Name:

Richard Bott (Senior Statutory Auditor)

for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor

90 Victoria Street, Bristol, BS1 6DP

Date: 7/12/2018

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 2018
(incorporating an income and expenditure account)

	Notes	Unrestricted Funds £	Restricted funds £	Total 2018 £	Total 2017 £
Income and endowments from:					
Donations and legacies	3	428,491	256,881	685,372	608,440
Charitable activities		1,229	50,893	52,122	43,270
Other trading activities		150	425	575	4,766
Investment income		1,097	0	1,097	1,044
Total		430,967	308,199	739,166	657,520
Expenditure on:					
Raising funds	4	(1,069)	0	(1,069)	(7,933)
Charitable activities	4/9	(239,385)	(458,176)	(697,561)	(726,576)
Total		(240,454)	(458,176)	(698,630)	(734,509)
Net income/expenditure before losses on investments		190,513	(149,977)	40,536	(76,990)
Gain on investments	6	700	0	700	1,835
Transfer between funds	9	(149,173)	149,173	0	0
Net movement in funds		42,040	(804)	41,236	(75,155)
Reconciliation of funds					
Funds brought forward	10	261,714	65,359	327,073	402,228
Funds carried forward	9,10	303,754	64,555	368,309	327,073

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.

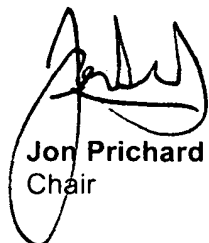
The notes on pages 18 to 27 form part of these financial statements.

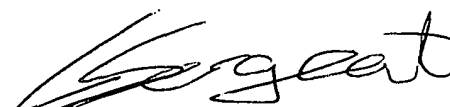
Company Number: 04856607

Balance Sheet as at 31 March 2018

	Notes	2018 £	2017 £
Fixed Assets			
Tangible assets	5	7,041	10,093
Investments	6	34,238	32,171
Total fixed assets		41,279	42,264
Current Assets			
Debtors: Due in one year	7	6,090	68,191
Cash at bank and in hand		333,220	228,942
Total current assets		339,310	297,133
Creditors: Amounts falling due within one year	8	(12,280)	(12,324)
Net current assets		327,030	284,809
Total assets less current liabilities		368,309	327,073
Funds:			
Unrestricted Funds	10	303,754	261,714
Restricted Funds	9	64,555	65,360
Total funds		368,309	327,073

On behalf of the Trustees:


Jon Prichard
Chair


Laura Sergeant
Treasurer

Approved and authorised for issue by the Board on 19 September 2018.

Cash Flow Statement for the year ended 31 March 2018

	2018 £	2017 £
Net cash (used by operating activities) - see below	105,388	(52,170)
Cash flows from investing activities		
Interest received		773
Purchase of property, plant and equipment	(1,110)	(264)
Net cash (used in)/from investing activities	(1,110)	509
Change in cash and cash equivalents from activities in the year ended 31 March 2018	104,278	(51,661)
Cash and cash equivalents at 1 April 2017	228,942	280,603
Cash at bank and cash equivalents at 31 March 2018	333,220	228,942

Reconciliation of net (expenditure)/income to net cash flow from operating activities

Net income/(expenditure) as shown in the Statement of Financial Activities	41,236	(75,155)
Adjustments for :-		
Depreciation charges	4,162	4,098
Dividends, interest and rents from investments	(1,367)	(1,817)
Loss on investments	(700)	(1,835)
Decrease in debtors	62,101	18,560
(Decrease)/Increase in creditors	(44)	3,979
Net cash provided by/(used in) operating activities	105,388	(52,170)

Notes to the Financial Statements for the year to 31st March 2018

1. Accounting policies

Basis of Preparation

The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts. 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.

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.

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 2018 £	Total 2017 £
Branch Fundraising	0	255	255	-
Donations	13,835	52,369	66,204	64,853
Grants	10,000	139,067	149,067	104,221
Sponsorship	289,483	5,250	294,733	280,437
Gift in kind income	115,173	59,940	175,113	158,728
Voluntary Income	428,491	256,881	685,372	608,439

4. Expenditure

4a. Total Expenditure

	Direct Costs £	Support Costs £	Total 2018 £	Total 2017 £
Charitable Expenditure: Programme Areas				
EWB Challenge	148,327	39,585	187,912	237,849
International Placement Program	190,481	43,868	234,349	214,656
Member Led Partnerships	-	-	-	49,026
Junior Fellowship	38,202	9,980	48,182	-
Outreach	43,739	16,986	60,725	57,768
Charitable Expenditure: Community Areas				
EWB Community	122,244	37,247	159,491	161,248
Charitable Expenditures:				
Governance	6,292	610	6,902	6,029
	549,285	148,276	697,561	726,576
Costs of Generating Voluntary Income				
Fundraising	524	51	575	4,409
Press and publications	450	44	494	3,524
Net Charitable Expenditure	550,259	148,371	698,630	734,509

4b. Audit Fee

Governance costs include the audit fee of £5,190 (2017; £6,120)

4c. Support Costs

	Total 2018 £	Total 2017 £	Allocation
Finance	14,295	14,263	Allocated in line with proportion of direct costs
IT and Website	58,792	53,150	Allocated in line with proportion of direct costs
Facilities	54,060	52,949	Allocated in line with proportion of direct costs
Insurance	6,054	1,987	Allocated in line with proportion of direct costs
CEO	15,170	11,042	Allocated in line with proportion of direct costs
Total	148,371	133,391	

4d. In Kind Expenditure

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

	Total 2018 £	Total 2017 £
Facilities	1,000	3,000
Training	1,700	3,825
IT	49,013	51,218
Consultancy	112,430	92,735
Publications	10,970	7,950
Total	175,113	158,728

5. Tangible fixed assets

	Fixtures & Fittings	Computer and Office Equipment	Totals
	£	£	£
Cost			
At 1 April 2017	7,943	9,754	17,697
Additions	-	1,110	1,110
At 31 March 2018	7,943	10,864	18,807
Accumulated Depreciation			
At 1 April 2017	2,990	4,614	7,604
Charge for the year	1,589	2,573	4,162
At 31 March 2018	4,579	7,187	11,766
Net Book Value			
At 31 March 2018	3,364	3,677	7,041
At 31 March 2017	4,953	5,140	10,093

6. Fixed Asset Investments

	Listed Investments 2018 £	Listed Investments 2017 £
Market Value		
At 1 April 2017	32,171	29,292
Income from dividend	1,367	1,044
Revaluations	700	-1,835
At 31 March	34,238	32,171

	2018 £	2017 £
Analysed as follows:		
Rathbone Ethical Bond Fund managed by Rathbone:		
Bond	34,238	32,171

7. Debtors

	Total 2018 £	Total 2017 £
Trade debtors	-	66,613
Accrued income	-	1,183
Other debtors	6,090	395
Total debtors	6,090	68,191

8. Creditors – amounts falling due within one year

	Total 2018 £	Total 2017 £
Trade creditors		
Taxation and social security	2,504	1,807
Accruals and others	9,776	10,517
Total	12,280	12,324

9. Restricted Funds

Fund	Funds as at 1 April 2017	Income	Expenditure	Transfers	Funds as at 31 March 2018
EWB Challenge	62,884	124,983	(128,572)	0	59,295
EWB Community		45,144	(120,679)	57,535	0
International Placement Programme	713	82,660	(170,925)	87,552	0
Junior Fellowship		17,911	(21,997)	4,086	0
Outreach	1,762	37,501	(34,003)	0	5,260
Total restricted funds	65,359	308,199	(458,176)	149,173	64,555

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.

Junior Fellowship: Provides opportunities for undergraduates and recent graduates to access an immersive educational opportunity on a project with one of our partners, supported by at least one of our placement engineers.

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

Fund	Funds as at 1 April 2017	Income	Expenditure	Transfers	gain on investment	Funds as at 31 March 2018
	£	£	£	£	£	£
Restricted Funds	65,359	308,199	(458,176)	149,173)	0	64,555
Unrestricted Funds	261,714	430,967	(240,454)	(149,173)	700	303,754
Total funds	327,073	739,166	(698,630)	0	700	368,309

11. Analysis of net assets

	Unrestricted Funds	Restricted Funds	Total Funds
	£	£	£
Tangible fixed assets	7,041		7,041
Investment assets	34,238		34,238
Current assets	274,755	64,555	339,310
Creditors due in less than one year	(12,280)		(12,280)
Total net assets	303,754	64,555	368,309

12. Staff Costs

12a. Staff Costs

	Total 2018 £	Total 2017 £
Salaries and wages	258,740	302,889
Social security	20,324	29,424
Pension costs	10,495	9,635
Total	289,559	341,948

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

12b. Average headcount

Average headcount was 9.

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 Chief Executive, 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 £142,608 (2017; £172,121).

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 2018 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 2018 £	Total 2017 £
Operating leases which expire:		
Within 1 year	13,832	13,340
	13,832	13,340

During the year operating lease expenses £41,711 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 £162 for travel and miscellaneous expenses incurred when attending trustee meetings and branch society meetings (2017; £167).

16. Related party transactions

There were no related party transactions during the year.