



ENGINUITY
(FORMERLY SCIENCE, ENGINEERING AND MANUFACTURING
TECHNOLOGIES ALLIANCE)

REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

Company Number: 02324869

Charity Number: 1000328

ENGINUITY

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

CONTENTS	Page
Advisors	1
Report of the Chair	2
Trustees'/Directors' Report	3 – 15
Independent auditor's report	16 – 20
Consolidated statement of financial activities (incorporating Income and Expenditure)	21
Consolidated Balance sheet	22
Charity Balance sheet	23
Consolidated cash flow statement	24 – 25
Notes to the financial statements	26 - 42

ENGINUITY

ADVISORS

FOR THE YEAR ENDED 31 MARCH 2021

Auditor

Grant Thornton UK LLP
Victoria House
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Milton Keynes
MK9 1AU

Registered Office

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Investment Managers

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BNY Mellon Fund Managers Limited
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Investment Advisor

Portfolio Manager Consultancy Ltd
Woodwater House
Pynes Hill
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Banker

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Solicitors

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1 St. Peter's Square
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Gowling WLG (UK) LLP
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London
SE1 2AU

Board Members

Dame J Hackitt DBE (Chair)
M Evans
S Hunter
J Lopes
S Pamplin
M Tarry
I Waddell (resigned 11 August 2020)
P Birt
S Sandle
K Boswell OBE
J Wood
V Saward
P Perera
D Meredith (appointed 10 December 2020)
A Burke (appointed 24 September 2020)

Chief Executive

A Watson

It's been a year unlike any other, and I've been proud of the way in which the team at Enginuity has risen to the challenges – and indeed, the opportunities – the global pandemic has created. COVID-19 has laid bare the continuing importance to the UK of investing in engineering and manufacturing skills. The work undertaken by Enginuity in the last year will help to secure the skills base so that our country can meet the great challenges still to come, from climate change to our ageing society.

The way the team at Enginuity pulled together in the early stages of the pandemic to ensure colleagues were able to work in a remote, COVID-safe way was highly impressive. The work already completed to implement new IT infrastructure paid dividends, with the necessary systems and hardware already in place to support this being done at pace. Enginuity's people remain our number one priority and this has been demonstrated through the additional mental health training and key support provided to the team during the pandemic.

Ensuring that engineering and manufacturing speaks with one loud voice on skills is vital, and that's why I'm pleased to see how Enginuity has worked in partnership with other leading organisations across the sector. Enginuity has played a key coordinating role in the creation of the new cross-sectoral National Manufacturing Skills Task Force and supporting the work in the North West of England to bring the Made Smarter skills recommendations and industrial digitalisation to life is ongoing. The new partnership with the High Value Manufacturing Catapult will facilitate the sharing of expertise and knowledge at the highest, most cutting-edge skill levels.

With most of the engineers of 2030 already in the workforce, the work being driven by Enginuity to enable our people to up and reskill is of the highest importance. The new Engage online learning platform, developed at pace during the pandemic, is already helping hundreds of engineers to acquire knowledge of emerging technologies that will serve them well in the future. Engineering skills are highly valued across our society and economy, which is why Enginuity developed a new career converter to help engineers to move into critical vaccine manufacturing roles – a good example of our emerging expertise in data science.

I am proud that, in spite of all of the challenges posed by the pandemic, in the last year Enginuity has invested over a million pounds in activities which deliver our charitable objective – “To promote and advance the education, training and skills development of persons employed or intending to be employed in Industry (as defined in the Articles of Association) and commerce”. From the award-winning Skills Miner game seeking out young people's inner engineer to our support for the Disconnected report on digital skills, Enginuity remains strongly committed to our charitable purpose and we will continue to reinvest profits from our commercial activities in ways which meet that purpose.

As priorities changed through the pandemic and new opportunities emerged, there were hard decisions to be taken elsewhere in deciding to cease other activity. Closing the Semta Apprenticeship Service (Metskill) was a sad moment and some very capable, dedicated people left the Enginuity Group as a result. I'm proud of how hard the trustees and the Enginuity team worked to ensure that all learners who wanted help in finding new provision received it, with the trustees making sure the needed investment was in place.

There were changes at board level within Enginuity, and I would like to extend my thanks to Ian Waddell of CSEU, who departed in 2020/21 while welcoming his CSEU colleague, Tony Burke, to the board – it is very pleasing that the relationship between Enginuity and CSEU will continue to flourish as a result of Tony's appointment. Daniel Meredith of GKN Aerospace has joined the board too and will bring crucial insight and expertise from that sector.

From board level down and through the whole Enginuity team, I know how hard everybody has worked during the pandemic. I am sure that this work will pay dividends in the coming years, with Enginuity and the wider Group now well-placed to support the engineering and manufacturing sectors through the recovery from COVID-19. I want to place on record my thanks to everyone for their efforts – I look forward to working with you all in 2021/22 as we help Enginuity, engineering and manufacturing, and our wider society to Build Back Better.



Dame Judith Hackitt DBE
Chair, Enginuity Group

ENGINUITY

TRUSTEES'/DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2021

REFERENCE AND ADMINISTRATIVE DETAILS

ENGINUITY ("Semta") is a company, limited by guarantee (company number 02324869) and does not have share capital, which is incorporated in England and Wales under the Companies Act 2006. It is a registered charity (charity number 1000328) governed by its memorandum and articles of association. The charity owns 100% of the allotted ordinary share capital of five trading subsidiaries.

Following a comprehensive strategic review Semta changed its name to Enginuity during 20/21. The new name and associated positioning reflects the approach to using data and digital technologies and capabilities to extend the organisation's charitable reach and impact.

The members of the Board who held office during the year were:

Dame J Hackitt DBE (Chair)

M Evans²

S Hunter

J Lopes

S Pamplin⁶

M Tarry^{1&2}

I Waddell¹

Resigned on the 11 August 2020

P Birt^{3&1}

S Sandle

K Boswell OBE

V H Saward⁵

J Wood

P Perera

A Burke

Appointed on the 24 September 2020

D Meredith

Appointed on the 10 December 2020

- 1 Member of the Investment Committee
- 2 Member of the Audit Committee
- 3 Member of the Remuneration and Pensions Committee
- 4 Member and Chairman of the Audit Committee
- 5 Member and Chairman of the Investment Committee
- 6 Member and Chairman of the Remuneration and Pensions Committee

- B M Dunlop was appointed as Chairman of the Audit Committee, but is not a member of the Board.

The Chief Executive, professional advisors and registered office of the charity are listed on page 1.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Charity is governed by a Board of employer and trade union representatives. The members of the Board are trustees of the charity and also directors for the purposes of company law.

The Board meets quarterly to review progress against the agreed business plan and agree on future strategy. Responsibility for the management of the business is delegated to the Chief Executive.

There are four committees which submit reports to the full Board:

- Investment Committee
- Audit Committee
- Remuneration and Pensions Committee
- Quality Assurance Committee

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Two further sub committees of the Board meet as and when required with all members of the Board participating as appropriate. A Board Standing Committee has delegated authority to approve expenditure and contracts on behalf of the Board and the Nominations Committee considers appointments to the Board and to the role of Chief Executive.

As directors of the company, the Board members are responsible for overseeing the company's business in a manner consistent with its charitable objectives. They are also guarantors to the company.

The key subsidiaries are Excellence Achievement & Learning Limited (EAL - a vocational awarding organisation) and Metskill Limited (which was an apprentice training organisation). On the 29th March 2019, the Board members made the decision to cease apprenticeship training provision. This led to trading activities of Metskill Limited (SEMTA Apprenticeship Service) ceasing during 2020 and ultimately lead to the winding up of the company.

The key internal financial control procedures are summarised as follows:

Control environment:

There is a clear organisational structure with well-defined lines of responsibility and delegation of appropriate levels of authority.

Risk management:

Business strategy and business plans are reviewed by the Board. Detailed appraisals are undertaken and financial implications evaluated prior to all capital expenditure and projects. Risk assessments are considered by the Audit Committee and the Board at each meeting.

The impact of COVID-19 has been taken into account on structuring and running Enginuity's day to day operations.

Financial Reporting:

A comprehensive system of budgets and forecasts is in place, with quarterly monitoring and reporting of actual results against targets to the Board.

Control Procedures and Monitoring Systems:

Authority levels, procedures and other systems of internal financial control are documented, applied and subject to Internal Audit and review by the Audit Committee, which is chaired by a Group Company Board member, includes at least one additional Board member from a group company and has other members who are suitably qualified representatives from the industry sector. The Audit Committee meets twice each year with the external auditors to discuss the audit plan and the results of their audit work. The auditor can meet the Audit Committee in private session as part of this process.

Investment:

Investment management is delegated to professional investment management firms CCLA and BNY Mellon Fund Managers Limited, supported by an independent advisor Portfolio Manager Consultancy Ltd. The Investment Committee's role, chaired by an Enginuity Board Member and supported by members who are suitably qualified, is to review the performance of the investment managers and make recommendations to the Board on investment policy.

Remuneration:

Senior executive remuneration is governed by the Remuneration and Pensions Committee which is chaired by an Enginuity Board member and has members who are suitably qualified representatives from industry.

Appointment of Board Members:

The appointment of Board members, for a maximum of three terms of three years, is made by members on the recommendation of the Nomination Committee.

New Board members undergo an induction to brief them on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, Enginuity's strategy and recent financial performance and the Committees and decision making process. Board members are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

PUBLIC BENEFIT

As a registered charity, Enginuity operates for the public benefit. As an organisation, we believe that one engineer can change their world and ours, given the opportunity.

Enginuity provides such opportunity through the creation of practical skills solutions for engineering employers and for individuals who want to see and develop the skills they need to succeed. We do this through the use of unmatched expertise and data.

Enginuity promotes and advances the education, training and skills development of individuals employed within the engineering sector and those wishing to become employed within the sector.

Enginuity provides public benefit by:

- Supporting Engineering and Manufacturing to drive a positive and growing contribution from the sector both in terms of jobs and contribution to GDP
- Supporting employers in identifying future skills requirements and developing or sourcing appropriate education and skills solutions to upskill and reskill the existing workforce thereby maintaining people in employment for longer whilst also promoting the sector as an attractive and worthwhile career
- Ensuring that individuals and employers can access high quality engineering skills training programmes, assessment and validation to keep their skills and competency relevant, up-to-date and evidenced
- Inspiring individuals with latent talent who may not have considered engineering and help individuals already interested in a career in engineering to understand their potential and be given opportunities for development and progression
- Ensuring that ethics and safety of the public is integrated into all training both directly and through partners to create the right environment for and build trust in engineers to tackle some of society's most pressing issues such as climate change."

Enginuity's purpose is built upon a core value of creating no harm and the beneficiaries of achieving the purpose are individual engineers, engineering employers, future engineers and the wider society.

In agreeing this statement of public benefit, the Board confirm they have paid due regard to the Charity Commission guidance. The charity's activities and achievements are set out below.

OBJECTIVES AND ACTIVITIES

The objectives and mission of the charity are to proactively support employers in the engineering and advanced manufacturing sector to inspire and create the engineers, technicians and scientists of today and tomorrow.

Activities include but are not limited to:

- Providing expert leadership to employers, government, educational institutes and industry organisations
- Promotion of the skills needs for the sector
- Develop of practical skills solutions to support employers and individuals in accessing the skills that they need
- Use of technology to assist employers in the attraction of new talent and the up and reskilling of the existing workforce.

Our Strategic Goals as outlined in our Strategy and Business Plan are:

- A sustainable charitable group with a growing surplus that is invested in activities that delivers public benefit and a positive impact to the UK engineering sector.
- Through our expert strategic insight, and knowledge of the sector alongside use of digital technologies we develop innovative practical solutions to solve the sector skills challenges of today and tomorrow.
- With the customer at the heart of everything we do, we will become the single source for high quality, innovative skills solutions underpinned by outstanding customer service.

ENGINUITY

TRUSTEES'/DIRECTORS' REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2021

- A highly expert, people-focused and performance driven group, our people live the operating model and our values, culture and inclusivity are recognised for this.
- The Enginuity brand is synonymous within the sector as the trusted and inclusive skills integrator who marries engineering expertise with digital technologies to deliver practical skills solutions and expert and insightful thought leadership.

CORE BUSINESS ACTIVITIES

To achieve this strategy we set out to:

- Engineer employer-driven skills solutions in partnership with industry
- Build the organisation's capacity to deliver policy and research, with the target of becoming the sector's premier advocate on skills policy
- Support EAL to maintain its position in the advanced manufacturing and engineering sector and achieve growth and diversification
- Create an investment strategy with opportunities to support growth identified
- Invest in our employees so they have the skills, qualifications and enthusiasm and commitment to deliver for the organisation

STRATEGIC REPORT

Key Business Performance and Review

Our original plan for 2020/21 was to both generate a small group surplus whilst making a significant investment in charitable projects. It very quickly became clear in March 2020 that the year ahead was going to be very different and one of unpredictability with significant disruption for Enginuity and our stakeholders. Enginuity quickly responded to the pandemic and the lockdowns ensuring that all of our services continued virtually. Using our agreed strategy as the road map we came together to determine how we could support the industry during the year and also manage our own organisation to survive in an uncertain world. This report documents many new activities which were started within the year but which will now continue as we emerge from the pandemic.

The Enginuity Group utilised the Government's furlough scheme for three months but this was supplemented by staff voluntarily agreeing to salary sacrifice and/or shorter working hours to support the organisation in reducing costs. Despite this being a difficult year when income across the group had been negatively impacted, the full year financial position is significantly better than envisaged when we adjusted the budget at the start of the financial year (and the pandemic), a testament to the dedication and hard work of our people.

Our customers who are Engineering and Manufacturing employers faced difficult decisions during the year as their order books were severely impacted by the pandemic. Huge numbers of engineers have faced furlough and, in many cases, redundancy. Enginuity invested over £1m in activities to support the engineering sector during the pandemic whilst also delivering on our charitable objectives, focusing on key areas where we could make the greatest impact.

Enginuity Deliverables for the sector:

Future Engineers

We are more committed than ever to ensuring that the next generation of potential engineers understand how they could thrive through a career in engineering. Engineers have been heavily involved in the fight against COVID-19, for example in the development of PPE and vaccines. We will only be able to solve our society's greatest challenges, such as climate change and resource depletion, with the full involvement of engineers. There's a whole generation of potential engineers out there – and we are developing the products needed to bring them into our sector.

- Skills Miner, our award-winning game based on the popular Minecraft platform, was developed and enhanced to inspire a new generation of engineers to unearth hidden skills and to open up new career pathways for young people living through a turbulent period. We have also commenced work on an Aerospace version of the Skills Miner game, funded by the Melrose Skills Fund, to showcase the sector to a diverse audience.
- The pandemic has brought into sharper focus the impact of digital poverty on too many young people, and to help to counter this we have begun to develop plans for a Skills Miner 'Stackathon' bringing engineering careers closer to a wider range of young people. We also supported the production of the *Disconnected* report on digital skills by the Learning & Work Institute and WorldSkills UK.
- In 2020/21, we certificated 9,723 apprenticeships in England (38% reduction on 2019/20 due to COVID-19), 793 in Wales (50% reduction) and 535 in Scotland (35% reduction).
- We have continued to develop and shape apprenticeship frameworks and standards across the UK. We used data science, plus technical writing and research expertise, to shape a new modern apprenticeship framework (SCQF Level 8 Digital Manufacturing) for Scotland. We delivered on time and to budget the Apprenticeship Framework for Automotive Engineering in Northern Ireland.
- We have continued in our role as custodians of National Occupational Standards (NOS), ensuring comparable and high standards are maintained across UK engineering. We developed new NOS in Non-Destructive Testing and Advanced Manufacturing, and we reviewed NOS in Aeronautical Engineering Suite 3, Engineering Technical Support Suite 3, Engineering Maintenance Suite 3, Core Mandatory.
- To ensure they meet the evolving needs of industry, we have continued to support the development of new qualifications and the revision of existing qualifications. We have supported the development of a new Scottish Vocational Qualification (SVQ) in Weighbridge Operations (SCQF Level 6) by the Mineral Products Qualifications Council. We have developed one new SVQ, in Materials Processing and Finishing, and revised four SVQs, in Fabrication and Welding, Marine Engineering, and Automotive Engineering.

Upskilling / Reskilling

The pandemic has had a significant impact on the engineering and manufacturing sectors, with existing trends in skills only being accelerated. We are guided by our motto that “one engineer can change their world and ours, given the opportunity” – and we are committed to giving engineers the opportunity to remain within the sector by ensuring that their skills and knowledge keep pace with changing employer needs and priorities.

- Engage, our free to join online learning platform, was developed at pace as the pandemic unfolded to support engineers at rest (on furlough) and at risk (of redundancy) to acquire new knowledge of cutting-edge technologies. Engage was a truly collaborative effort across the engineering and manufacturing sector, with employers and other organisations generously donating their content for the common good.
- We worked closely with the Made Smarter Commission to ensure that there was a strong focus on digitalisation on our Engage platform and developed two specific content packages covering Industrial Digitalisation Basics and First Steps, both of which have proved very popular with over 940 people starting the courses. We have continued to work with the North West pilot to develop a series of modules covering the key Industrial Digitalisation technologies.
- We have used our new data science and digital capability to focus on transferable skills and a common skills language. Through the development of a career converter, we have supported engineers to move into critical roles in vaccine manufacture, bolstering the United Kingdom’s fight against the COVID-19 virus.
- We have provided ongoing support to the key sector skills working groups across Automotive, Aerospace and Defence. Work included development of an Automotive upskilling bid for BEIS which whilst not successful in its own right was integrated into the Department for Education Emerging Skills Project (ESP). The ESP is a £2million project that Enginuity are working on with High Value Manufacturing Catapult as the project lead.
- We have been active in developing the evidence base needed to shape future skills priorities across the UK. We submitted evidence to the *Making Scotland’s Future* review of Scottish manufacturing, helping to shape the skills priorities in the final plan. We undertook an international comparative study of qualifications in Engineering, Advanced Manufacturing and Energy on behalf of Qualifications Wales which underpinned a sector review of qualifications and led to the development of a new Introduction to Engineering (Schools) qualification. We produced an Engineering and Manufacturing route review in England on behalf of the Institute for Apprenticeships and Technical Education (IfATE) which involved participants from 133 stakeholders and provided recommendations for future reform of standards.
- In collaboration with Dudley College, we delivered a project for the UK-India Education and Research Initiative (UKIERI). The project, named “Review and Assessment of Technician Vocational Education & Training System in the ITIs covering 6 states in India”, provides a specification for a ‘Train the Trainer’ programme for a cohort of trainers who deliver frontline training in engineering within the 6 regions identified in India. Enginuity's role in the project was to work with the Indian Partners to develop a research report and to give recommendations on the required specification, supporting Dudley College to develop the ‘Train the Trainer’ programme, which has been delivered.

Future Skills

Enginuity is a combination of ‘engineering’ with ‘ingenuity’. As a forward-looking organisation, we are committed to supporting the engineering and manufacturing sectors to develop the skills needed not just today, but for the future as well. Through the work we have begun with key partners, as detailed below, we are helping to provide the data and insight needed to ensure UK engineering and manufacturing remain at the global cutting edge.

- We have helped to establish a National Manufacturing Skills Task Force. The Taskforce sees 16 organisations, with a collective membership representing over 2 million employees, working together around a common skills agenda – www.manufacturingskills.org.
- We have developed a partnership with the High Value Manufacturing Catapult (HVMC) to take forward the Skills Value Chain and foresighting work across engineering and manufacturing sectors. Employer engagement and data/process work was undertaken by Enginuity as part of Gatsby-funded foresighting pilots.
- We have provided ongoing support to the Made Smarter Commission by reviewing and updating the original *Made Smarter* skills recommendations and developing an action plan to deliver the recommendations. Enginuity, in partnership with HVMC, is now an active member of the Made Smarter Strategic Implementation Group.

- We continue to bring our knowledge and expertise to the European stage in our role as a key partner in Project DRIVES. This European Union-commissioned project is aimed at understanding future skills requirements in the automotive sector and creating materials, resources and best practice to develop the future workforce. By March 2021, Enginuity and our partners had developed two e-learning modules, covering Robotics Technician and Robotics Engineer roles; hosted two webinars on best practice in apprenticeships; and published an apprenticeship market report gathering the key attributes of automotive apprentice programmes from across the EU.

Enginuity's own Employee Engagement and Support

The lessons we have learned over the last year mean we will need to reshape the organisation for the future, and that work is already underway. It's clear that there is no going back to "business as usual" and this has provided Enginuity, along with countless other organisations, with a fantastic opportunity to do things better. We are committed to being a great organisation to work for and we continue to invest heavily in supporting our team, with the highlights detailed below. We have taken several key steps during the pandemic to engage with our team and empower them to shape their future and that of the wider organisation, and we will continue with this approach in the years to come.

- Hybrid working is likely to remain a feature of the future world of work and Enginuity has already demonstrated that it can provide exceptional service by harnessing technology. Previous years' investment in new technology for the business, in the form of hardware and software, paid dividends when lockdown was announced as we could quickly move to home working without any impact on the customer and with minimal additional stress for our team. Our business continuity arrangements meant we were operational from day one of lockdown, and could support our customers with key services without any interruption to service delivery.
- The pandemic showed us that we can deliver great customer service while enabling our people to be flexible in how and where they work. We reduced our estates portfolio and although many of our workforce were field based, the shared services teams have also started to shift towards flexible working locations. This has helped us to reduce costs in the closure of two office locations while increasing employee engagement and productivity.
- This last year, much of our focus has been on supporting our people and focussing on health and wellbeing, with regular sessions run by external experts to support our team's mental health and the continuing provision of a confidential helpline for team members who are struggling with mental health and other difficulties. We now have 11 trained mental health first aiders within the Enginuity Group.
- During the pandemic, we have supported colleagues by taking a flexible approach to working in light of home-schooling and other restrictions imposed as a result of lockdown. Employee absence has reduced during a year of almost fulltime homeworking, with greater flexibility enabling our people to enjoy a better work/home balance and fit commitments together. In a time when many organisations have seen their employee engagement scores reduce, ours have remained stable at an average of 74%, with many areas improving despite the many personal and professional challenges our people have faced.
- As part of the transformation, the first stage of a new Target Operating Model and subsequent organisation design with clear accountabilities and responsibilities has been deployed. The second stage resumes in 2021/2 following the return to some form of normal operations linked to the Government's vaccination programme rollout. In times of great change, we recognised the importance of retaining engagement and support of colleagues and we have sought to strengthen the ways in which we engage across the company.
- The use of our staff engagement software tool and app, Motivii, continues to support and enhance engagement with our staff; this year we removed our outdated annual appraisal process and introduced quarterly performance reviews, with our people taking the lead in shaping their own work priorities, in recognition of the fluidity of business demands that the pandemic helped to create. Early evidence suggests that this move has been welcomed positively by the team.
- We take seriously the need to ensure that our workforce is reflective of the wider society that we serve, and the requirement to ensure that our services are accessible to all. A Diversity and Inclusion Strategy was signed off by the Board in 2020/21, and a timeline and delivery plan is in place which looks at our ways of working and how we provide our services.

Communications and Our Digital Footprint

In the development and launch of the new brand, we set out to define a sharper purpose and mission— why we do what we do and why it matters – in support of Enginuity’s long term strategy and to help communicate the transformation to our staff, our partners and our stakeholders. Our new branding and positioning places greater emphasis on inspiring and enabling the engineers of today and tomorrow to change their world and ours. Our mission, as Enginuity, is to give them the opportunity to do so. Our goal is to embed this in our communication to our staff and our audience. In 2020/21, we started to see this come to life in some of the work we delivered around our brand and the causes we support.

Enginuity continues to grow its brand and positioning as the sector connector. In 2020/21, we generated £772,005 value in media coverage from 330 pieces. This included TV coverage with Sky News and Channel 4’s *The Steph Show*, and publications within *The Engineer*, *The Times*, *The Telegraph* and many other publications with an estimated audience reach of 83,460,080.

Our annual celebration of skills was affected by the pandemic as so many other events were, but we were pleased to be able to present the first Enginuity Skills Awards virtually from the *Channel 4 Packed Lunch* TV studios with host Steph McGovern. Almost 350 people remotely attended the event and the feedback we received was fantastic. The high level of engagement during the virtual event was amazing and had a reach of 760,174 across social channels, we also achieved over 250 sign ups from our website, 1,482 engagements including 621 reactions and 100 shares. Sponsors and supporting partners have committed their support for the 2021/22 event, and we are very much looking forward to the next great celebration of those who have worked so hard through the pandemic to strengthen engineering skills for the future.

Further work is underway to improve our website and social media platforms in line with our new brand. In 20/21 we achieved the following:

Enginuity.org.uk website

- 92,890 page views
- 43,917 unique users

@Enginuity_Org Twitter feed

- 7,197 followers
- 439 posts
- 225,813 tweet impressions
- 2,514 total tweet engagements (including link clicks)
- 292 retweets
- 626 reactions (including tweet likes)

Enginuity LinkedIn feed

- 2,397 followers
- 332 posts
- 63,837 post impressions
- 3,233 total post engagements (including link clicks)
- 956 post reactions (including post likes)
- 241 post shares

Facebook

- 520 followers
- 316 posts
- 1,108 post reactions (including post likes)
- 27,417 post reach (organic)
- 100 post shares
- 1,343 total post engagements

EAL

Together with subsidiary EAL, we are able to make a positive difference for our beneficiaries. EAL supports the Enginuity charity in the delivery of its objects and powers through the development, delivery and validation of qualifications and end point assessments via a network of further education and other training institutions, enabling individuals to gain nationally recognised qualifications and certification.

In 2020/21, EAL delivered an estimated 50,000 exams, extended provision of its qualifications to 58 new training centres, processed over 53,000 certificate claims and reached the milestone of 1,000 completed apprenticeship End-Point Assessments.

EAL provides:

- a main source of funding for Enginuity by gift aiding any surplus;
- other valuable resources which help to save money, e.g. sharing premises and shared service functions;
- opportunities to strengthen the quality, reach and impact of Enginuity's work;
- an effective trading structure to raise funds for Enginuity;
- a direct way of furthering our Enginuity's purposes.

Further details can be found within the EAL Annual Report for 2020/21 of all of their key achievements and their outlook for the year ahead.

While it has been a challenging period for Enginuity over this last financial year, it is clearer than ever that there is a need and demand for the products and services we provide to our industry and employers. The need for radical innovation to drive transformation in engineering and manufacturing came through strongly and quickly in the face of unprecedented events, and our team has worked harder than ever to deliver the products and services our sector needs in order to survive and thrive.

FINANCIAL REVIEW

The Consolidated Statement of Financial Activities for the year ended 31st March 2021 (page 21) shows a net increase in funds of £4,234k (2019/20 decrease of £2,491k).

The key drivers of the financial result were:

- Better than anticipated financial performance by both Enginuity and EAL.
- Strong cost control measures underpinned by access to the Government's furlough scheme and colleagues volunteering to accept salary reductions for a 3 month period to financially support the group.

Significant investment in the transition programme to reduce overheads and create an organisation with an appropriate cost base compared to projected income levels.

The Group result is a surplus of £4,234k including investment income and investment gains (2019/20 deficit of £2,491k).

The Charity's funding is derived from supporting activities which address the productivity and skills development needs of employers and employees within Enginuity's remit.

The five trading subsidiaries produced a net surplus of £4,848k (2019/20 net surplus of £3,007k).

The results of the trading subsidiaries are detailed in Note 3(b).

Whilst COVID-19 has adversely impacted trading from April 2020 the strength of Enginuity's balance sheet, and in particular its investment portfolio, ensures any trading deficits during COVID-19 can be fully covered.

RESERVES POLICY

The Board's policy, reviewed annually, is to maintain reserves at a level designed to generate circa £600,000 income per annum, to support the charitable activities of Enginuity and to cover those specific liabilities not matched by specific assets plus 6 months normal operating expenditure related to our activities. The General Reserve at the end of March 2021 was £33,127k (2020 £28,893k) an increase in the year of £4,234k. The reserves are held to ensure it has sufficient funding to continue as a going concern and thereby continue to deliver its charitable activities for the foreseeable future.

After the year-end, the Directors of four dormant subsidiaries (being Training Properties Ltd, Training Publications Ltd, Metskill Ltd and National Skills Academy for Manufacturing Ltd) and the Directors of the parent company had put in place plans to dissolve those entities and strike them from the register. For those subsidiaries in deficit, any such deficit will be resolved as a result of that process.

KEY MANAGEMENT PERSONNEL REMUNERATION POLICY

A triennial benchmarking exercise is conducted which involves reviewing other organisations within the same/similar industries and additionally, the Charities and Public sectors. Recommendations are then made to the Remuneration and Pensions Committee where a final decision is made as to the total reward and remuneration package.

INVESTMENT POLICY AND PERFORMANCE

The Board's policy, reviewed annually, requires its investments to be managed actively in line with an agreed approach which ensures that appropriate levels of targeted risk is adopted and return is achieved.

The long-term investment return expectations from the portfolio are set as a total return of inflation plus 3.5% per annum, after expenses.

The performance of the portfolio is reviewed quarterly by the Investment Committee in conjunction with the investment managers. Market performance is monitored by Portfolio Manager Consultancy Limited who report to the Committee every quarter.

The Investment Fund generated an investment income of £811k (2020 £836k). The overall Investment Fund increased by £2,733k during 2020/21 (2020 decrease of 1,8993k).

The immediate impact of COVID-19 was to reduce the value of the investments from £33m to £28m, a 15% reduction. Since that date the investments have slowly but steadily recovered.

PLANS FOR FUTURE PERIODS

Plans and budgets for 2021-22 have taken into account COVID-19 and these will flex as circumstances dictate.

As we start to emerge from the pandemic we are seeing green shoots of recovery within the engineering and manufacturing sector. The digital products that Enginuity invested in to support the sector during the pandemic are having increasing impact. This demonstrates that the strategy to combine Enginuity's deep engineering and skills knowledge with technology is having a positive effect.

For the year 2021/22 we plan to continue to invest and develop in digital products and technology to further enhance and widen our public benefit reach whilst continuing to take a prudent financial strategy.

ENGINUITY

TRUSTEES'/DIRECTORS' REPORT (continued)

FOR THE YEAR ENDED 31 MARCH 2021

DIRECTORS AND OFFICERS LIABILITY INSURANCE

As permitted under the Companies Act 2006 and under the company's articles of association, the charitable company has maintained insurance in respect of directors' and officers' liabilities incurred in connection with the discharge of their duties.

FUNDRAISING

The charitable company did not partake in charitable fundraising activities.

RISK REVIEW

The Board has considered the major external business risks to which the group is exposed and where possible strategies have been developed to mitigate those risks. The Risk Register is regularly reviewed by the Audit Committee and strategic risks are reported to the Board. Investment risk is managed by the Investment Committee in conjunction with the group's investment manager and advisor.

- The uncertainty and impacts of the ongoing pandemic present a key risk to the Enginuity Group and this remains under monthly review by the Executive team.
- The potential for on-going change to skills infrastructure systems and processes could impact on the role of Enginuity and EAL.
- The increasing development by Enginuity of practical solutions underpinned by technology and data science is an area where new skills and capabilities need to be developed to meet the increasing demand and interest from employers.

Mitigating actions are in place to help ensure the group remains healthy. These actions support the growth of Enginuity whilst we deliver on our transformational needs.

FINANCIAL RISK MANAGEMENT

The Group and the charity company are exposed to a variety of financial risks that include liquidity risk, credit risk and price risk, the significant of which is price risk which arises from the volatility in the market prices of investments that are carried at fair values. The Group and the charity company manages exposures to price risk by monitoring the changes in the market price of the investments and at some extent, diversifying the investment portfolio in accordance with sound investment policy.

COVID-19 will continue to have a major impact which is being mitigated.

STATEMENT OF TRUSTEES (BOARD MEMBERS) RESPONSIBILITIES

The trustees (who are also directors of Enginuity for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

Company law/Charity law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law/charity law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and charity and of the incoming resources and application of resources, including the income and expenditure, of the group and charity for that period.

ENGINUITY

TRUSTEES'/DIRECTORS' REPORT (continued)

FOR THE YEAR ENDED 31 MARCH 2021

In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and accounting 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;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable group will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006/Charities Act 2011. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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.

STATEMENT OF TO DISCLOSURE TO OUR AUDITORS

In so far as the trustees are aware at the time of approving our trustees' annual report:

- There is no relevant information, being information needed by the auditor in connection with preparing their report, of which the group's auditor is unaware, and
- The trustees, having made enquiries of fellow directors and the group's auditor that they ought to have individually taken, have each taken all steps that he/she is obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

AUDITOR

In accordance with the Companies Act 2006, a resolution will be proposed at the Annual General Meeting that Grant Thornton UK LLP will be reappointed as auditor to the charitable company for the ensuing year.

This report, which incorporates the Strategic Report, was approved by the Board on the 30 September 2021 and signed on its behalf by:



J Hackitt

Chair

Enginuity

Unit 2, The Orient Centre

Greycaine Road

Watford

WD24 7GP

Opinion

We have audited the financial statements of Enginuity (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2021, which comprise the Consolidated Statement of Financial Activities (incorporating Income and Expenditure), the Consolidated and Parent Charitable Company Balance Sheets, the Consolidated Charitable Company 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 Financial Reporting Standard 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 group's and parent charitable company's affairs as at 31 March 2021 and of the group's 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We have been appointed as auditor under the Companies Act 2006 and report in accordance with regulations made under that Act. 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 group and parent 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 are responsible for concluding on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's and the parent charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the group or parent charitable company to cease to continue as a going concern.

In our evaluation of the trustees' conclusions, we considered the inherent risks associated with the group's and parent charitable company's business model including effects arising from macro-economic uncertainties such as Brexit and Covid-19, we assessed and challenged the reasonableness of estimates made by the trustees and the related disclosures and analysed how those risks might affect the group's and parent charitable company's financial resources or ability to continue operations over the going concern period.

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

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

The responsibilities of the trustees with respect to going concern are described in the 'Responsibilities of trustees for the financial statements' section of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Annual 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.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and the Directors' report, prepared for the purposes of company law, included in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Strategic Report and the Directors' Report included in the Trustees' Report have been prepared in accordance with applicable legal requirements.

Matter on which we are required to report under the Companies Act 2006

In the light of the knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report included in the Trustees' Report.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept by the parent charitable company, or
- returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's 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.

Responsibilities of trustees for the financial statements

As explained more fully in the Trustees' Responsibilities Statement set out on page 14, 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 group and the parent 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 group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's 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 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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We understood how Enginuity is complying with those legal and regulatory frameworks by making enquiries of management, those responsible for legal and compliance procedures and the audit committee. We corroborated our enquiries through our review of board minutes, papers provided to the Audit Committee and correspondence received from regulatory bodies.
- The Group is subject to many laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements. We identified the following laws and regulations as the most likely to have a material effect if non-compliance were to occur; Charities SORP (FRS 102), FRS 102, Charities Act 2011, Companies Act 2006, Data Protection Act 2018, Code of Governance, The Education Act 2002, tax legislation, anti-bribery legislation and employment law.
- We communicated relevant laws and regulations and potential fraud risks to all engagement team members, including internal specialists, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.
- We assessed the susceptibility of the group's financial statements to material misstatement, including how fraud might occur, by evaluating management's incentives and opportunities for manipulation of the financial statements. This included the evaluation of the risk of management override of controls. We determined that the principal risks were in relation to:
 - journal entries that increased revenues or that reclassified costs from the income statement to the balance sheet
 - potential management bias in determining accounting estimates, especially in relation to the calculation of impairment of deferred income
 - transactions with related parties
- Our audit procedures involved:
 - evaluation of the design effectiveness and testing the operating effectiveness of controls that management has in place to prevent and detect fraud;
 - journal entry testing, with a focus on material manual journals, including those with unusual account combinations and those that reclassified costs from the income statement to the balance sheet;
 - challenging assumptions and judgements made by management in its significant accounting estimates;

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ENGINUITY (continued)

FOR THE YEAR ENDED 31 MARCH 2021

- testing the completeness of the group's related party transactions through information obtained at the parent and component entities and testing that these transactions had a valid business purpose; and
 - assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the related financial statement item.
 - journal entry testing, with a focus on material manual journals, including those with unusual account combinations and those that reclassified costs from the income statement to the balance sheet;
 - challenging assumptions and judgements made by management in its significant accounting estimates;
 - testing the completeness of the group's related party transactions through information obtained at the parent and component entities and testing that these transactions had a valid business purpose; and
 - assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the related financial statement item.
- In addition, we completed audit procedures to conclude on the compliance of disclosures in the annual report and accounts with applicable financial reporting requirements.
 - These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. However, detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as those irregularities that result from fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.
 - Assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
 - understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation
 - knowledge of the industry in which the client operates
 - understanding of the legal and regulatory requirements specific to the entity/regulated entity including:
 - the provisions of the applicable legislation
 - the regulators rules and related guidance, including guidance issued by relevant authorities that interprets those rules
 - the applicable statutory provisions
 - Team communications in respect of potential non-compliance with laws and regulations and fraud included the potential for fraud in revenue recognition through manipulation of accrued or deferred income.
 - In assessing the potential risks of material misstatement, we obtained an understanding of:
 - the entity's operations, including the nature of its revenue sources, products and services and of its objectives and strategies to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement.
 - the applicable statutory provisions
 - the entity's control environment, including the policies and procedures implemented to comply with the requirements of its regulator, including the adequacy of the training to inform staff of the relevant legislation, rules and other regulations of the regulator, the adequacy of procedures for authorisation of transactions, internal review procedures over the entity's compliance with regulatory requirements, the authority of, and resources available to the compliance officer and procedures to ensure that possible breaches of requirements are appropriately investigated and reported.

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 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 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.

Grant Thornton UK LLP

William Devitt

Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants

Milton Keynes

Date: 05 October 2021

ENGINUITY

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (incorporating Income and Expenditure)

FOR THE YEAR ENDED 31 MARCH 2021

INCOME AND EXPENDITURE

	Notes	2021 £'000	2020 £'000
Income			
<i>Other trading activities</i>			
Income from trading subsidiaries	3b	8,121	11,022
<i>Investment income</i>	8	811	836
<i>Charitable activities</i>			
Externally funded projects	3a	262	420
Other	3a	196	392
Total income		9,390	12,670
Expenditure on			
<i>Raising funds</i>			
Expenditure of trading subsidiaries	3b	3,311	5,023
Investment managers' fees		49	172
Total cost of raising funds		3,360	5,195
<i>Charitable activities:</i>			
Improving access to learning and encouraging people into careers in the sector		3,881	3,580
Promoting and representing the sector		371	950
Developing and supporting occupational standards and learning frameworks		1,188	2,277
Research into skills gaps and shortages		363	436
Other		700	331
Total charitable activities	7	6,503	7,574
Total expenditure		9,863	12,769
Net income/(expenditure) before gains and losses		(473)	(99)
Net gains/(losses) on investments	11	4,707	(2,392)
Net movements in funds		4,234	(2,491)
Total funds brought forward	20	28,893	31,384
Total funds carried forward	20	33,127	28,893

All income and expenditure items are unrestricted and all gains and losses recognised in the year are included in the Statement of Financial Activities. All activities are continuing.

The notes on pages 26 to 42 form part of the accounts.

ENGINUITY

CONSOLIDATED BALANCE SHEET

AT 31 MARCH 2021

(Company Number 02324869)

	Notes	2021 £'000	2020 £'000
FIXED ASSETS			
Tangible assets	10	105	187
Investments	11	31,686	28,953
		<u>31,791</u>	<u>29,140</u>
CURRENT ASSETS			
Stocks	13	32	32
Debtors	14	1,695	2,124
Bank and cash balances		2,483	896
		<u>4,210</u>	<u>3,052</u>
CREDITORS: amounts falling due within one year	15	<u>(2,101)</u>	<u>(2,335)</u>
NET CURRENT ASSETS		<u>2,109</u>	<u>717</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>33,900</u>	<u>29,857</u>
CREDITORS: amounts falling due after one year	16	(773)	(964)
NET ASSETS	21	<u><u>33,127</u></u>	<u><u>28,893</u></u>
FUNDS AND RESERVES			
Unrestricted funds		<u> </u>	<u> </u>
General reserve	20	<u><u>33,127</u></u>	<u><u>28,893</u></u>

The financial statements were approved and authorised for issue by the Board on the 30 September 2021 and were signed below on its behalf by:



J Hackitt
Chair

The notes on pages 26 to 42 form part of the accounts.

ENGINUITY

CHARITY BALANCE SHEET

AT 31 MARCH 2021

(Company Number 2324869)

	Notes	2021 £'000	2020 £'000
FIXED ASSETS			
Tangible assets	10	105	187
Investments	11	31,686	28,953
Investment in subsidiaries	12	-	-
		<u>31,791</u>	<u>29,140</u>
CURRENT ASSETS			
Debtors	14	520	527
Bank and cash balances		2,483	896
		<u>3,003</u>	<u>1,423</u>
CREDITORS: amounts falling due within one year	15	<u>(2,377)</u>	<u>(2,265)</u>
NET CURRENT ASSETS / (LIABILITIES)		<u>626</u>	<u>(842)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>32,417</u>	<u>28,298</u>
CREDITORS: amounts falling due after one year	16	<u>(25)</u>	<u>(100)</u>
NET ASSETS	21	<u><u>32,392</u></u>	<u><u>28,198</u></u>
FUNDS AND RESERVES			
Unrestricted funds			
General reserve	20	<u><u>32,392</u></u>	<u><u>28,198</u></u>

In accordance with section 408 of the Companies Act 2006, a separate Statement of Financial Activities for the charity has not been presented. The result for the charity was a surplus of £4,194k (2020: deficit £3,233k).

The financial statements were approved and authorised for issue by the Board on the 30 September 2021 and were signed below on its behalf by:



J Hackitt
Chair

The notes on pages 26 to 42 form part of the accounts.

ENGINUITY

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021 £'000	2020 £'000
Cash used in operating activities	a)	(1,122)	(3,180)
Cash flows from investing activities			
Investment income received		811	829
Interest income		-	7
Payments to acquire investments		(527)	(37,129)
Payments to acquire tangible fixed assets		-	(227)
Cash withdrawn from investments		2,001	-
Receipts from the sale of investments		500	36,636
Cash used in/provided by investing activities		<u>2,785</u>	<u>116</u>
Cash flow from financing activities			
New finance leases in the year		-	227
Repayments of finance leases in the year		(81)	(54)
Interest paid on finance leases		5	3
Cash (used)/provided by financing activities		<u>(76)</u>	<u>176</u>
Net increase/(decrease) in cash		<u>1,587</u>	<u>(2,888)</u>
Cash and cash equivalents at start of year		<u>896</u>	<u>3,784</u>
Cash and cash equivalents at end of year		<u>2,483</u>	<u>896</u>
Analysis of cash and cash equivalents			
Cash at bank and in hand		<u>2,483</u>	<u>896</u>

Refer to note b) for the analysis of changes in net debt.

ENGINUITY

CONSOLIDATED CASH FLOW STATEMENT (continued)

FOR THE YEAR ENDED 31 MARCH 2021

	2021 £'000	2020 £'000
a) Reconciliation of net incoming resources to net cash inflow from operating activities		
Net movement in funds	4,234	(2,491)
Investment income	(811)	(836)
Depreciation	82	69
Decrease in creditors	(349)	(1,915)
Decrease/(increase) in debtors	429	(301)
Decrease in stock	-	2
Net (gain)/loss on investments	(4,707)	2,392
Movement in provisions	-	(100)
Net cash provided by operating activities	<u>(1,122)</u>	<u>(3,180)</u>

	At beginning of the year £'000	Cash flows £'000	Non cash movements £'000	At end of the year £'000
b) Analysis of changes in net debt				
Cash and cash equivalents	896	1,587	-	2,483
	<u>896</u>	<u>1,587</u>	<u>-</u>	<u>2,483</u>
Finance lease obligations due in 1 year	(76)	1	-	(75)
Finance lease obligations due in more than 1 year	(100)	75	-	(25)
	<u>720</u>	<u>76</u>	<u>-</u>	<u>2,383</u>

The notes on pages 26 to 42 form part of these accounts.

1. GENERAL INFORMATION

Enginuity is a charitable company, limited by guarantee, incorporated in England and Wales under the Companies Act 2006. The address of the registered office is shown on the Advisors page. The nature of the charity's operations and its principal activities are outlined in the Trustees'/Directors' Report.

2. ACCOUNTING POLICIES

The principal accounting policies adopted, judgements and key sources of estimation uncertainty (see note 4) in the preparation of the financial statements are as follows:

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 2019) - (Charities SORP 2nd Edition (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Enginuity meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes. All of the expenditure incurred by the Enginuity is for charitable purposes.

The presentation currency and functional currency of the Charity is pounds sterling, and is rounded to the nearest thousand pounds.

Parent charitable company disclosure exemptions

In preparing the separate financial statements of the parent charitable company, advantage has been taken of the following disclosure exemptions available in FRS 102:

- No cash flow statement has been presented for the parent charitable company;
- Disclosures in respect of the parent charitable company's financial instruments have not been presented as equivalent disclosures have been provided in respect of the Group as a whole;
- No disclosure has been given for the aggregate remuneration of the key management personnel of the parent charitable company as their remuneration is included in the totals for the Group as a whole.

Going concern

The trustees have, at the time of approving the financial statements, a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing these financial statements.

COVID-19 does not adversely impact the adoption of the going concern basis in the preparation of these financial statements

Financial statements

The financial statements consolidate the results of Enginuity and its subsidiaries as at the balance sheet date.

2. ACCOUNTING POLICIES (continued)

Incoming resources

Income represents the amount receivable for goods and services for the period but excludes value added tax and trade discounts.

All income is recognised once the charitable group has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Income from investments represents interest from bank deposits. Interest on funds held on deposit is recognised when receivable and the amount can be measured reliably by the charity, this is normally upon notification of the interest paid or payable by the bank.

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due. This is normally upon notification by our investment advisor of the dividend yield of the investment portfolio.

Payments received from the government for furloughed employees are a form of grant. This grant money is receivable as compensation for expenses already incurred, and where this is not in respect of future related costs, is recognised in income in the period in which it becomes receivable and the related expense is incurred.

Gift aid

The charity owns the whole of the issued ordinary share capital of Excellence Achievement & Learning Limited, Metskill Limited, National Skills Academy for Manufacturing Limited, Training Properties Limited, and Training Publications Limited (see note 12).

Each subsidiary ordinarily pays each year to the charity, under the provisions related to Gift Aid, a sum based on the taxable profits of the Company. The payment of Gift Aid is subject to the reserves policy of the gifting entity, and the approval of the charity.

Gift aid is recognised on the accruals basis in line with the deed of covenant.

Resources expended

Resources expended are included in the Statement of Financial Activities on an accruals basis, inclusive of any VAT which cannot be recovered. Certain expenditure is directly attributable to specific activities and has been included in these cost categories. Support costs which cannot be directly allocated are apportioned across the categories on the basis of an estimate of the proportion of time spent by staff on those activities.

Costs of raising funds are costs incurred in attracting voluntary income and those incurred in trading activities that raise funds.

Governance costs form part of support costs are for the charity. These include the external audit fee and an assessment of the time spent undertaking company secretarial responsibilities.

All expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

Interest expenses are charged to the Statement of Financial Activities over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

Sale of properties

Sales of properties are recognised upon legal completion of the contract.

2. ACCOUNTING POLICIES (continued)

Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost 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, on a reducing balance basis.

Depreciation is provided on the following basis:

	Years
Office furniture	10
Equipment	3

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 the Statement of Comprehensive Income.

Fixed asset investments

Investments are stated at market value as at 31 March 2021. Realised and unrealised gains and losses are released or charged to the consolidated Statement of Financial Activities in the year in which they arise.

The investment in subsidiaries is stated at the lower of cost and net asset value.

Stocks

Saleable publications are valued at the lower of production cost and net realisable value.

Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Cash

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2. ACCOUNTING POLICIES (continued)

Financial Instruments

Financial assets

Financial assets, other than investments, are initially measured at transaction price (including transaction costs) and subsequently held at cost, less any impairment.

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 the consolidated Profit and Loss Account.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

Financial liabilities and equity

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form. Financial liabilities are initially measured at transaction price (including transaction costs) and subsequently held at amortised cost.

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.

Grants payable

Grants payable to other organisations are agreed as part of the Business Planning process. The cost is charged to the Statement of Financial Activities in the period to which the grant relates.

Fund accounting

The general reserve comprises of those monies which may be used towards furthering the charitable objects.

Leased assets: Lessee

Where assets are financed by leasing agreements that give rights approximating to ownership (finance leases), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable over the term of the lease. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to profit or loss over the shorter of estimated useful economic life and the term of the lease.

Finance lease payments are analysed between capital and interest components so that the interest element of the payment is charged to profit or loss over the term of the lease and is calculated so that it represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

All other leases are treated as operating leases. Their annual rentals are charged to profit or loss on a straight line basis.

2. ACCOUNTING POLICIES (continued)

Pensions

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in the statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the statement of financial position. The assets of the plan are held separately from the company in independently administered funds.

Enginuity is a participating employer to a defined benefit scheme administered by ITB Pension Funds. A defined benefit scheme is a pension plan under which the company pays fixed pension to its employees. As a member of the multi-employer scheme where the assets and liabilities are not identifiable, Enginuity has accounted for the scheme as a defined contribution scheme to comply with the provisions of FRS 102. Pension contributions are charged to the consolidated Statement of Financial Activities so as to spread the regular cost of the pensions and related benefits over the employees' working lives.

3. INCOMING RESOURCES AND NET MOVEMENT IN FUNDS

a) Analysis of income

The group has only one class of activity. The majority of group activities are conducted in the United Kingdom.

Excellence Achievement & Learning Limited (EAL) conducted business with centres outside the UK totalling £105,404 in the year (2020: £127,087).

Investment income represents the income from the investment portfolio and interest received on cash balances.

Externally funded projects income represents the contribution to Enginuity for staff time spent on projects funded by the UK government and other stakeholders, this income totalled £231,164 in the year (2020: £420,000).

Other income represents the charge to Enginuity customers for services provided by the charity. This relates to income generated through certification of learners, and development of National Occupation standards for devolved nations. This income totalled £196,000 in the year (2020: £392,000). Government grant income for furloughed employees totalled £156,287 (2020: £Nil).

Income from trading subsidiaries represents the turnover of the charity's trading subsidiaries included in Enginuity's accounts.

3. INCOMING RESOURCES AND NET MOVEMENT IN FUNDS (CONTINUED)

b) Results of trading subsidiaries

The charity owns 100% of the allotted ordinary share capital of the following companies which are incorporated in the UK:

- Excellence Achievement & Learning Limited (EAL) is the awarding organisation for vocational qualifications primarily in the engineering sector.
- MetSkill Limited provided apprentice training services to businesses in the manufacturing and engineering sector and ceased trading in 2020.
- National Skills Academy for Manufacturing Limited is a dormant company.
- Training Properties Limited is a dormant company.
- Training Publications Limited is a dormant company.

Taxable profits transferred to the parent entity, a registered charity, are recognised as distributions from equity when the company has a legal obligation to the parent to pay the taxable profits. A summary of the trading results included in the consolidated accounts is shown below.

Audited accounts for each subsidiary entity have been filed with the Registrar of Companies.

	EAL £'000	Training Properties Limited £'000	Training Publications Limited £'000	MetSkill Limited £'000	National for Skills Academy Manuf. Limited £'000	2021 Total £'000	2020 Total £'000
Income:							
Income	8,120	-	-	1	-	8,121	12,588
Group loan write off	-	-	-	-	-	-	(1,566)
Total Income:	8,120	-	-	1	-	8,121	11,022
Expenditure:							
Staff costs	2,900	-	-	-	-	2,900	3,019
Depreciation	-	-	-	-	-	-	4
Other operating charges	4,204	1	1	1	1	4,208	1,510
Recharges for support and marketing	(3,797)	-	-	-	-	(3,797)	(3,777)
Total Expenditure:	3,307	1	1	1	1	3,311	5,023
Tax	(185)	-	-	-	-	(185)	(548)
Tax relief	185	-	-	-	-	185	548
Net surplus/(deficit)	4,813	(1)	(1)	-	(1)	4,810	5,999
Gift Aid to Enginuity	(973)	-	-	-	-	(973)	(2,992)
	3,840	(1)	(1)	-	(1)	3,837	3,007

4. JUDGEMENTS AND KEY AREAS OF ESTIMATION UNCERTAINTY

In preparing these financial statements, the trustees have had to make the following judgements:

- **Leases**
Determine whether leases entered into by the company either as a lessor or a lessee are operating leases or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- **Impairment**
Determine whether there are indicators of impairment of the company's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.
- **Tangible fixed assets**
Tangible fixed assets, other than investments properties, are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on the number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.
- **Deferred revenue for registrations**
To determine the value of registration and framework income to defer to the balance sheet at year end as deferred income. This decision depends on an assessment of the amount of fees learners have paid in advance for registering on courses and obtaining frameworks for qualifications.
- **Valuation of provisions**
Judgement is exercised by management to distinguish between provisions and contingencies. Policies on recognition of provisions is discussed in Note 2 and disclosures on relevant provision is presented in Note 18.

5. STAFF COSTS
Group

	2021 £'000	2020 £'000
Wages and salaries	4,635	4,807
Social security charges	509	527
Other pension costs	251	261
	<u>5,395</u>	<u>5,595</u>

Included within wages and salaries are agency staff costs of £27,976 (2020: £85,385) for the year. During the year the group made termination payments of £214,319 (2020: £162,542). Included within other charitable costs and creditors is a provision for redundancy/termination payments of £Nil (2020: £Nil).

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2021

5. STAFF COSTS (continued)

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

	2021 No.	2020 No.
Training services	87	89
Support services	16	11
	<u>103</u>	<u>100</u>

Charity

The parent charity's staff costs are as follows:

	2021 £'000	2020 £'000
Wages and salaries	2,351	2,374
Social security charges	279	267
Other pension costs	103	107
	<u>2,733</u>	<u>2,748</u>

The average monthly number of persons employed during the year by the parent charity was as follows:

	2021 No.	2020 No.
Training services	12	28
Support services	26	11
	<u>38</u>	<u>39</u>

Emoluments of employees

The number of employees whose emoluments as defined for taxation purposes exceeded £60,000 per annum during the period was as follows:

	2021 No.	2020 No.
£60,001 - £70,000	8	4
£70,001 - £80,000	3	1
£80,001 - £90,000	3	1
£90,001 - £100,000	-	1
£100,001 - £110,000	-	1
£110,001 - £120,000	1	-
£120,001 - £130,000	1	-
£140,001 - £150,000	1	1
£150,001 - £160,000	1	-
£170,001 - £180,000	-	1
£240,001 - £250,000	1	-
£280,001 - £290,000	-	1
Total	<u>19</u>	<u>11</u>

The total of key management personnel compensation for the year was £789,901 (2020: £815,549).

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2021

5. STAFF COSTS (continued)

Trustees' remuneration

During the year, in accordance with the Articles of Association of the charity, payments were made to the Chairman totalling £35,000 (2020: £35,000). The total amount of expenditure reimbursed to no (2020: 1) Board members in respect of expenses incurred on the charity's activities was £Nil (2020: £578). No other trustees received any remuneration (2020: £Nil).

6. NET INCOMING RESOURCES

Net incoming resources are arrived at after charging the following:

	2021 £'000	2020 £'000
Auditor's remuneration		
- Audit services	40	39
- Tax compliance services	7	6
- Other non-audit services	-	9
Operating lease rentals-motor vehicles	17	136
Depreciation	82	69
	<u> </u>	<u> </u>

Auditors' remuneration includes £21,000 in respect of the audit of the parent charity (2020: £23,200) and £19,000 in respect of the audit of the subsidiary undertakings (2020: £15,800). Fees in relation to non-audit services were £46,901 (2020: £15,000).

7. EXPENDITURE ON CHARITABLE ACTIVITIES

	Staff No's	Direct costs £'000	Support costs £'000	2021 Total costs £'000
Improving access to learning	8	2,429	1,452	3,881
Promoting and representing the sector	1	189	182	371
Developing and supporting occupational standards and learning frameworks	5	280	908	1,188
Research into skills gaps and shortages	2	-	363	363
Other charitable costs	-	625	75	700
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	16	3,523	2,980	6,503
		<u> </u>	<u> </u>	<u> </u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2021

7. EXPENDITURE ON CHARITABLE ACTIVITIES (CONTINUED)

	Staff No's	Direct costs £'000	Support costs £'000	2020 Total costs £'000
Improving access to learning	5	1,405	2,175	3,580
Promoting and representing the sector	1	515	435	950
Developing and supporting occupational standards and learning frameworks	4	537	1,740	2,277
Research into skills gaps and shortages	1	1	435	436
Other charitable costs	-	251	80	331
	<u>11</u>	<u>2,709</u>	<u>4,865</u>	<u>7,574</u>

Support costs have been allocated across the charitable activities based on average full-time equivalent headcount in the charity, as this basis is consistent with the use of the resources. Governance costs are included within support costs and totalled £75,000 (2020: £79,601) for the period. Governance costs consist of Chairman's remuneration, group's audit fees and expenses reimbursed to Board members in respect of expenses incurred on the charity's activities.

	2021 £'000	2020 £'000
Included in other charitable costs are the following exceptional costs:		
Provision for redundancy/termination costs/recruitment	214	110
Legal costs	-	14
Staff development	-	36
Tax advisory	-	8
Other exceptional costs	-	3
Taxation paid on behalf of Metskill Limited (see below)	390	-
	<u>604</u>	<u>171</u>

Loans provided to Metskill Limited were written off during the previous year. A payment of £390,000 was made to HMRC in respect to Corporation Tax liabilities relating to the closure of Metskill Limited in the current year.

8. INVESTMENT INCOME

	2021 £'000	2020 £'000
Income from fixed asset investments	811	829
Interest received	-	7
	<u>811</u>	<u>836</u>

9. TAXATION

Enginuity is a registered charity and therefore is not liable for income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

10. TANGIBLE FIXED ASSETS

	Office furniture & equipment £'000	Total £'000
Group Cost		
At 1 April 2020	1,026	1,026
Additions	-	-
Disposals	-	-
	<hr/>	<hr/>
At 31 March 2021	1,026	1,026
	<hr/>	<hr/>
Depreciation		
At 1 April 2020	839	839
Charge in year	82	82
Disposals	-	-
	<hr/>	<hr/>
At 31 March 2021	921	921
	<hr/>	<hr/>
Net Book Value		
At 31 March 2021	105	105
	<hr/> <hr/>	<hr/> <hr/>
At 31 March 2020	187	187
	<hr/> <hr/>	<hr/> <hr/>

10. TANGIBLE FIXED ASSETS (continued)

	Office furniture & equipment £'000	Total £'000
Charity		
Cost		
At 1 April 2020	724	724
Additions	-	-
Disposals	-	-
	<u>724</u>	<u>724</u>
At 31 March 2021	724	724
	<u>724</u>	<u>724</u>
Depreciation		
At 1 April 2020	537	537
Charge in year	82	82
Disposals	-	-
	<u>619</u>	<u>619</u>
At 31 March 2021	619	619
	<u>619</u>	<u>619</u>
Net Book Value		
At 31 March 2021	105	105
	<u>105</u>	<u>105</u>
At 31 March 2020	187	187
	<u>187</u>	<u>187</u>

The net book value of tangible fixed assets held under a finance lease for the group and the charity was £100,735 (2020: £176,292).

11. FIXED ASSET INVESTMENTS

	2021 £'000	2020 £'000
Group and Charity		
Balance 1 April 2020 at market value	23,817	29,279
Additions at cost	527	33,566
Disposals at opening market value or cost if acquired during the year	(500)	(33,320)
Unrealised gain on revaluation	4,707	(5,708)
	<u>28,551</u>	<u>23,817</u>
Cash awaiting investment	3,135	5,136
	<u>31,686</u>	<u>28,953</u>
Balance at 31 March 2021 at market value	31,686	28,953
	<u>31,686</u>	<u>28,953</u>
Historical cost of investments	31,217	33,202
	<u>31,217</u>	<u>33,202</u>

The net gain on revaluation was £4,707k (2019: Net loss of £2,392k).

Enginuity has investments in the COIF Charity Funds totalling £22.9m equivalent to 1,275,427.81 units at year end. The investment is only available to charities within the meaning of section 1(1) of the Charities Act 2011. On 31 March 2021, the mid market value of one unit in the fund was 1,792.64 pence. The bid market value of one unit in the fund was 1,789.15 pence.

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2021

11. FIXED ASSET INVESTMENTS (continued)

	2021 £'000	2020 £'000
COIF Charities investment fund income units	22,864	18,490
COIF Charities deposit fund	3,135	5,135
BNY Mellon Real Return fund Newton Inst. Shares 1 (inc)	5,687	5,328
	<u> </u>	<u> </u>

12. INVESTMENTS IN SUBSIDIARIES

	2021 £'000	2020 £'000
Charity		
Shares at cost	5,980	5,980
Long term loan	2,771	2,771
	<u> </u>	<u> </u>
	8,751	8,751
Impairment provision		
Balance at 1 April 2020 and 31 March 2021	(8,751)	(8,751)
	<u> </u>	<u> </u>
	-	-
	<u> </u>	<u> </u>

The impairment provision is to write down Enginuity's investment in its subsidiary companies.

The charity owns 100% of the allotted ordinary share capital of the following subsidiaries, all of which are registered in England and Wales:

Excellence Achievement & Learning Limited (company registration no 02700780)

A company registered in England and Wales which provides the assessment systems for awarding vocational qualifications primarily in the engineering sector and acts as the awarding body for those qualifications.

MetSkill Limited (company registration no 02465674)

A company registered in England and Wales whose principal activity is the provision of apprentice training services to improve performance of businesses in the engineering and manufacturing sectors. The company ceased trading on 31 July 2020.

National Skills Academy for Manufacturing Limited (company registration no 02707095)

A company registered in England and Wales which develops and implements national standards for manufacturing skills delivery.

Training Properties Limited (company registration no 02311840)

A company registered in England and Wales which operates as a property manager within Great Britain.

Training Publications Limited (company registration no 02700784)

A company registered in England and Wales which operates as a publishing and printing operation within Great Britain and ceased active trading on 31 March 2005.

All of the subsidiaries, with the exception of Excellence Achievement & Learning Limited and Metskill Limited, are dormant.

The registered office of all of the above subsidiaries is Unit 2, The Orient Centre, Greycaine Road, Watford, WD24 7GP.

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2021

13. STOCKS	Group		Charity	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Resalable publications	32	32	-	-
	<u>32</u>	<u>32</u>	<u>-</u>	<u>-</u>

14. DEBTORS	Group		Charity	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Amounts falling due within one year				
Trade debtors	927	1,304	-	44
Amounts owed by subsidiary undertakings	-	-	-	-
Other debtors	82	110	81	104
Prepayments	481	468	234	171
Accrued income	205	242	205	208
	<u>1,695</u>	<u>2,124</u>	<u>520</u>	<u>527</u>

Bad debt recognised for the group during the year as an expense was £200 (2020: £34,188).

15. CREDITORS: amounts falling due within one year	Group		Charity	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Trade creditors	383	123	296	106
Taxation and social security	358	274	358	274
Other creditors	131	134	51	49
Accruals	327	787	224	497
Finance lease liabilities	75	76	75	76
Deferred income	827	941	201	201
Amount owed to subsidiary undertakings	-	-	1,172	1,062
	<u>2,101</u>	<u>2,335</u>	<u>2,377</u>	<u>2,265</u>

During the year intercompany loan balances were written off to the value of £Nil (2020 - £1,566k). All other balances are interest free and repayable on demand.

16. CREDITORS: amounts falling due after one year	Group		Charity	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Finance lease liabilities	25	100	25	100
Deferred income	748	864	-	-
	<u>773</u>	<u>964</u>	<u>25</u>	<u>100</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2021

17. DEFERRED INCOME	Group		Charity	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Balance at 1 April	1,805	2,570	201	121
Amount released to income	(1,604)	(1,171)	-	(105)
Amount deferred in the period	1,374	306	-	185
Balance at 31 March	<u>1,575</u>	<u>1,805</u>	<u>201</u>	<u>201</u>

EAL Limited deferred income of £1,374,987 (2020: £1,604,821), relating to certification, is fully asset backed.

Deferred income of £200,549 (2020: £200,549) relates to externally funded projects both from customers within and outside of UK with deliverables between 1 to 3 years.

18. FINANCE LEASE AGREEMENTS

The group had the following finance leases in relation to IT equipment:

	2021 £'000	2020 £'000
Due in:		
Less than one year	75	76
One to five years	25	100
	<u>100</u>	<u>176</u>

19. OBLIGATIONS UNDER OPERATING LEASE AGREEMENTS

At 31 March 2021 the group has future minimum lease commitments as follows:

	2021 £'000	2020 £'000
Expiry date		
Less than one year	244	271
One to five years	318	527
	<u>562</u>	<u>798</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2021

20. FUNDS AND RESERVES

	2021 £'000	2020 £'000
General unrestricted reserve		
Group		
At 1 April	28,893	31,384
Realised and unrealised (losses) on investments	4,707	(2,392)
Net movement in funds	(473)	(99)
	<u>33,127</u>	<u>28,893</u>
Charity		
At 1 April	28,198	31,431
Realised and unrealised gains on investments	4,707	(2,392)
Net movement in funds	(513)	(841)
	<u>32,392</u>	<u>28,198</u>

21. NET ASSETS/LIABILITIES

	Group		Charity	
	Unrestricted funds	Unrestricted funds	Unrestricted funds	Unrestricted funds
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Tangible fixed assets	105	187	105	187
Investments	31,686	28,953	31,686	28,953
Current assets	4,210	3,052	3,003	1,423
Current liabilities	(2,101)	(1,622)	(2,377)	(2,265)
Non-current liabilities	(773)	(1,677)	(25)	(100)
Provisions	-	-	-	-
	<u>33,127</u>	<u>28,893</u>	<u>32,392</u>	<u>28,198</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2021

22. FINANCIAL ASSETS AND LIABILITIES	2021 £'000	2020 £'000
Group		
Financial assets measured at fair value through profit or loss	<u>28,551</u>	<u>23,817</u>

Financial assets measured at fair value through profit or loss include the investments.

23. LIABILITY OF MEMBERS

The charity is constituted as a company limited by guarantee. In the event of the charity being wound up members are required to contribute an amount not exceeding £1.

24. RELATED PARTY TRANSACTIONS

Due to the nature of the charity, most trustees will be associated with organisations which may have a financial relationship with the charity. Opportunity is given for disclosure of any financial or other interest prior to any Board discussions.

All transactions involving organisations in which a member of the Key Management may have an interest are conducted at arm's length and in accordance with Group's financial regulations and normal procurement procedures.

During the year the group incurred cost in relation to consultancy services amounting to £1,015 (2020: £2,707) provided by Anthony Watson. The consultant is a close family member of Group's Chief Executive Officer.

During the year the group incurred cost in relation to services amounting to £30,675 (2020: £101,406) from Get My First Job. One of a number of shareholders of Get My First Job is a close family member of the Group's Chief Operating Officer.

At the year end there were no balances outstanding to or from related parties.