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**Enginuity**  
(formerly Science, Engineering And Manufacturing  
Technologies Alliance)

**Report And Consolidated Financial Statements**

**for the year ended 31 March 2022**

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Company Number: 02324869  
Charity Number: 1000328

# ENGINUITY

## REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

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## ENGINUITY

### ADVISORS FOR THE YEAR ENDED 31 MARCH 2022

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#### **Auditor**

Crowe U.K. LLP  
4<sup>th</sup> Floor, St James House  
St James Square  
Cheltenham  
GL50 3PR

#### **Registered Office**

Unit 2, The Orient Centre  
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WD24 7GP

#### **Investment Managers**

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85 Queen Victoria Street  
London  
EC4V 4ET

BNY Mellon Fund Managers Limited  
The Bank of New York Mellon Centre  
160 Queen Victoria Street  
London  
EC4V 4LA

#### **Investment Advisor**

Portfolio Manager Consultancy Ltd  
Woodwater House  
Pynes Hill  
Exeter  
EX2 5WR

#### **Banker**

Barclays Bank plc  
62/62 High Street  
Watford  
WD17 2BT

#### **Solicitors**

DLA Piper U.K. LLP  
1 St. Peter's Square  
Manchester  
M2 3DE

Womble Bond Dickinson (UK) LLP  
4 More London  
Riverside  
London  
SE1 2AU

#### **Board Members**

Dame J Hackitt DBE (Chair)  
M Evans  
S Hunter  
J Lopes  
S Pamplin  
M Tarry  
P Birt  
S Sandle  
K Boswell OBE  
J Wood  
V Saward  
P Perera  
D Meredith (resigned 19/11/2021)  
A Burke

#### **Chief Executive**

A Watson

## **Report of the Chair by Dame Judith Hackitt DBE**

Over the last year, the challenges we face in the UK and across the world have become even more entrenched and we are seeing increasingly urgent pressure on the engineering and manufacturing sector. In response, we are seeing more innovation, greater expertise, and increasing flexibility as the sector becomes more agile, adapting to the demands of Industry 4.0 and digitalisation, the race to Net Zero, the transport revolution and a challenging labour market. Engineering and manufacturing businesses are hungry for skills at a time when the government's levelling up agenda is relying on the sector to boost productivity across all regions of the UK.

I am proud of the role that Enginuity continues to play in supporting engineers and manufacturers to adapt to this fast-paced change, rise to the challenges, and inspire the future workforce. Over the last year, our leadership of the National Manufacturing Skills Taskforce has made a significant contribution to influencing and co-ordinating a common voice, fostering ways for organisations to work together to boost support for, and investment in, the development of vital skills.

We continue to successfully raise the profile of achievements within engineering and manufacturing and were proud to host the annual Enginuity Skills Awards in person once again to recognise and celebrate the commitment of learners and apprentices, training providers and employers to skills development. This fantastic showcase serves to reinforce the value of long-term skilled employment in fulfilling careers.

Supporting the future talent pipeline, we have seen success in the development of our Skills Miner games which help to bring STEM subjects to life for young people, raising awareness of careers, and stimulating interest in, and engagement with, engineering challenges.

Enginuity continues to develop its technical expertise to design innovative and practical solutions to solve sector skills challenges. For example, we have used our expertise in data science to further develop digital products and services that help to identify skills and training needs and support the recruitment of skilled individuals. The Career Converter tool has demonstrated its value in highlighting transferable skills to individuals, and in enabling employers to quickly and accurately assess candidates that can be fast-tracked into the sector. Moving forward we plan to enable other organisations to benefit from our IP by licensing this cutting-edge technology to benefit other parts of the sector.

We have demonstrated our skills in data analysis through the Skills Foresighting project for the High Value Manufacturing Catapult which is providing rich insights into detailed skills requirements and workforce planning. We hope that our work to develop a Common Skills Language and the automated processes to generate intuitive data visualisation will help contribute to the development of a skilled pipeline of future talent aligned to the requirements of new manufacturing technologies.

The year ahead will bring a renewed focus on our green product strategy in response to the UK's Net Zero goals, the achievement, of which will depend to a considerable extent on the ingenuity and productivity of our engineering and manufacturing workforce.

The team at Enginuity has proved itself to be highly capable, flexible, and adaptable against a backdrop of momentous change and emerging issues of increasing urgency. I am proud of their hard work and resilience, and trust that the strengths we have developed together will enable the organisation to continue driving the success of the sector in the year ahead.

## Looking Ahead with Confidence

The critical activities that will secure our survival and prosperity in the 21st century depend on a robust, high-quality response from engineers and manufacturers. Enginuity understands the importance and urgency of developing skilled engineering talent in the UK and supporting the future workforce.

As part of our ambition to secure a sustainable future for Enginuity, the year ahead will see us consolidate our position as an authoritative voice within the engineering and manufacturing sector, demonstrating that we have a deep understanding of its skills challenges, and enabling individuals and organisations to anticipate and adapt to the technological revolution that will deliver a productive future.

Harnessing the power of data in the way our industry does so expertly, we will continue to develop high-quality, innovative, and practical solutions that will enable the sector to understand, process and deliver the skills required to solve the world's most pressing problems including the urgent climate emergency.

In the year ahead, we will continue to build on the development and promotion of our three pillars: Enspire, Ensign, and Enact, providing a robust platform for Enginuity's ambition to connect the sector and share knowledge to enable its future growth and development.

Through Enspire, we aim to create unique opportunities that will encourage young people to explore potential careers in engineering through a growing range of interactive career insights, further educational pathways, and gamification of the national curriculum. We will support new entrants to the sector through the provision of internships and a new bursary scheme that will enable aspiring engineers to achieve their ambitions. We are confident that these activities will help to inspire the future pipeline of engineers and secure the future prosperity of the sector.

As we move forward, we will address and support existing engineers as well as professionals within parallel sectors through our Ensign tools. We will expertly pull together a wealth of specialist knowledge and insights within a single source of data highlighting the skills, knowledge, and behaviours, including those that are transferable between occupations, which enable individuals to follow a meaningful career path and contribute to future productivity.

The third of our three pillars, Enact, will offer bespoke workforce planning services to businesses, organisations and regions based on the skills requirements within their strategic roadmaps in accordance with their technological capabilities and existing talent base.

We look forward to working as part of a Knowledge Transfer Partnership with the University of Teesside to bring the expertise devised through the Enspire and Ensign pillars to the market through a range of services for regional, sectoral, and corporate customers.

Our long-term ambition is that the three pillars will create value for our sector, enabling the definition of the future curriculum and providing a platform for education establishments to devise, curate and deliver exactly what the sector needs to solve its skills challenges. Entrants to the engineering workforce will benefit from refined educational pathways preparing them for their future careers, while experienced individuals from the professional workforce will benefit through bitesize modular study options to maintain their capabilities in an evolving technical landscape.

In order to effectively communicate our offer under these three pillars we are working to bring our sub-brands to life as part of a re-designed website for Enginuity which will be built, tested and launched during the year ahead.

Our plans also include the launch of the Enginuity Skills Awards for 2023 and we are looking forward to hosting the event in a new venue. Recognising the wealth of talent within the sector in this way provides the perfect showcase for our ambitions, as we raise the profile of outstanding achievements within UK engineering and manufacturing, paving a way for its future success.

## ENGINUITY

### TRUSTEES'/DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2022

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#### REFERENCE AND ADMINISTRATIVE DETAILS

ENGINUITY 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 two trading subsidiaries.

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

Dame J Hackitt DBE (Chair)  
M Evans<sup>2</sup>  
S Hunter  
J Lopes  
S Pamplin<sup>6</sup>  
M Tarry<sup>1&2,2,4</sup>  
P Birt<sup>3&1</sup>  
S Sandle<sup>3</sup>  
K Boswell OBE  
V H Saward<sup>5</sup>  
J Wood  
P Perera  
A Burke  
D Meredith (Resigned 19/11/2021)

- 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

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

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.

## ENGINUITY

### TRUSTEES'/DIRECTORS' REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2022

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#### STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

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The key subsidiary is Excellence Achievement & Learning Limited (EAL - a Vocational Awarding Organisation) and Enginuity Skills Limited which commenced trading on 1<sup>st</sup> October 2021.

After last 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. At the date of this report, all except Metskill had been struck off.

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 at each meeting and reported back to the Board.

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 consists of Board Members and other members who are suitably qualified. 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.

#### **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.

## ENGINUITY

### TRUSTEES'/DIRECTORS' REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2022

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#### 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."

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.

## ENGINUITY

### TRUSTEES'/DIRECTORS' REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2022

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## STRATEGIC REPORT

### OBJECTIVES AND ACTIVITIES

The objectives and mission of the charity are to proactively support employers in the engineering and 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.
- Development 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 as well as 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.
- 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.

To achieve this strategy we set out to:

- Deliver impactful intelligence and best practice
- Create practical skills and talent solutions
- Use innovation to deliver new public benefit
- Co-create and collaborate for the benefit of the sector and maximise public benefit
- Be a sustainable charitable group creating public benefit into the future.

### Partnerships and Projects – Forging Links and Building Relationships

The last year has seen Enginuity get involved with several high-profile projects that are helping to support skills development within engineering and manufacturing.

### Responding to Government

Enginuity responded to an inter-departmental government consultation seeking to assess the manufacturing workforce and provided a detailed response to the Department for Education (DfE), Department for Business, Energy and Industrial Strategy (DBEIS), and the Department for Work and Pensions (DWP).

Its response highlighted the use of skills fore-sighting, influenced by technology roadmaps, that help to build future workforce skills requirements across multiple sectors. Enginuity reflected on the impact of Brexit and the pandemic on the manufacturing workforce and suggested ways in which industry can address skills shortages such as digitalisation and electrification in the transport sector.

## ENGINUITY

### TRUSTEES'/DIRECTORS' REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2022

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In addition, Enginuity contributed to consultation on the National Skills Fund led by the DFE by highlighting the need to focus on upskilling the existing workforce and supporting qualifications that enable individuals to move between sectors. Enginuity called for greater flexibility in the training offer including support for free Level 3 qualifications alongside skills bootcamps.

#### **Strengthening Skills Through Partnership**

As a founder of the National Manufacturing Skills Taskforce, Enginuity has been instrumental in influencing policy as part of a broad group of organisations operating in sectors from food and drink to pharmaceuticals and life sciences.

Enginuity helped to produce a podcast and myth-busting fact sheet for 30,000 work coaches in the Department for Work and Pensions providing content for a manufacturing microsite designed to address perceptions of the sector. It also highlighted the shortage of HGV drivers raising the profile of the need for improved working conditions.

Alongside the Institute for Apprenticeships and Technical Education (IfATE), Enginuity supported the implementation of the new engineering and manufacturing T Levels due to be rolled out in September 2022 for the first time. In addition, the taskforce contributed to the Education and Skills Funding Agency (EFSA) Apprenticeships in Manufacturing group which is designed to provide a common response from industry to plans to grow recruitment in this area.

#### **Forecasting Future Skills**

Data science and data analytics were at the heart of a project supported by Enginuity that helped the High Value Manufacturing Catapult to identify future skills requirements based on technical and business drivers and incorporating input from employers.

Funded by the Department for Education, skills fore-sighting methodology was used to identify the skills, knowledge and behaviours required within the automotive workforce in the context of digitalisation and electrification. The methodology helps to expose skills gaps, influencing the content and design of qualifications.

#### **Apprenticeships Underpin Vital Skills for Scotland**

Support for apprenticeships in Scotland remains healthy with numbers of engineering and manufacturing apprentices recovering to around 1,200 which is in line with pre-pandemic levels.

The apprenticeship qualifications, managed by Skills Development Scotland, encompasses frameworks from foundation through to technical and degree level which can be accessed at any point on an apprentice's skills journey. Achievement rates are high at over 71 per cent and recruitment is strong.

However, an ageing workforce and a declining demographic for young people means that skilled individuals able to take on 21<sup>st</sup> century challenges are in higher demand than ever before. Further work is needed to deliver the skills required to support advances including the digitalisation of manufacturing and the decarbonisation of the transport system.

Having previously contributed to the design of Modern Apprenticeship Frameworks, Enginuity is now working with Skills Development Scotland and the National Manufacturing Institute of Scotland to help develop new frameworks and standards for engineering and manufacturing taking account of best practice across Europe and designed with both employee and employers' involvement from the start.

## ENGINUITY

### TRUSTEES'/DIRECTORS' REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2022

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Work includes mapping skills requirements to support the adoption of new technologies in manufacturing and identifying how individuals can be supported to gain new skills. This follows work already completed over the last year that culminated in the launch of a new technical apprenticeship in engineering and digital manufacturing in May 2022.

Robert Bruce, sector development specialist for engineering and manufacturing at Enginuity said, "Apprenticeships are highly regarded in Scotland and well supported by employers, but skills remain in short supply. We are focusing on ways to help industry ensure that apprentices have the skills for tomorrow's engineering challenges and ability to retrain their existing workforce including developing core engineering and manufacturing standards that can be applied across a wide range of engineering environments, enabling individuals to build multidisciplinary and advanced technology skills that can be deployed whatever sector they work in from oil and gas to agricultural engineering."

#### Externally Funded Projects

The last year has seen Enginuity involved in several high-profile projects designed to boost understanding and awareness within the skills value chain. Below are some highlights that outline progress to date.

#### Cell & Gene Therapy Catapult (C&G)

Enginuity applied machine-based learning to translate free text on skills within digital content creating a common skills language to highlight complementary occupational profiles that match those within vaccine manufacturing. The concept was developed to help identify transferable skills and attract individuals to pursue career pathways they may not otherwise have chosen. The project overcame challenges associated with the application of similarity in semantics, creating structured data and enabling horizontal comparison between the multiplicity of skills outlined in job descriptions.

#### High Value Manufacturing Catapult (HVMC)

Through an in-depth exposition of the processes within the skills value chain, Enginuity was able to contribute to the HVMC's 'Manufacturing the Future Workforce' project, using data acquisition, consolidation, and comparison to provide insights into the skills requirements of the future workforce.

#### Babcock Skills Assessment

In this project, the first external contract via Enginuity Skills Limited, gamification was used to identify individuals with diverse skillsets that may not have been recognised through the traditional apprenticeship application and interview process, to help bring people with relevant experience and adjacent skills into a wide range of roles.

#### DRIVES

End of 2021, saw the conclusion of the EU-funded Development and Research on Innovative Vocational Education Skills (DRIVES) project. Twenty-four partners from 11 countries collaborated to deliver human capital solutions to supply chain SMEs through the establishment of an Automotive Sector Skills Alliance. This will serve to map and assess skills gaps and future demand within the sector over the next decade, help to build common skills frameworks across the EU and enable mutual recognition of qualifications between member states.

#### A Charitable Focus

#### Skills Miner

The appeal of gaming underpins the Skills Miner platform which challenges students to complete engineering challenges through playing Minecraft. Each game is professionally curated and built with

**TRUSTEES'/DIRECTORS' REPORT (continued)  
FOR THE YEAR ENDED 31 MARCH 2022**

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advice from industry experts and contains authentic scenarios. For example, within the aerospace game, students are challenged to create their own sustainable fuel to power an aircraft and fix the code that enables the flight deck to bring it safely down to land.

A new edition in the Skills Miner series was launched to coincide with November 2012's Cop 26 Conference – Skills Miner Home Energy. It brought to life the challenge of upgrading a house to increase its sustainability rating while meeting a budget.

As well as being enjoyable to play, games are designed to contribute to learning in line with the curriculum. The outcomes are mapped to Gatsby Benchmarks so students discover career opportunities as they play and can download a certificate to demonstrate the essential life skills they have mastered through the experience.

**Partner Services**

In tandem with Skills Miner games, which are mapped to the curricula of all four nations, Gatsby Benchmarks and Skills Builder Essential Skills Framework, Enginuity has developed complementary lesson plans, worksheets, and video tutorials. Students are requested to complete a survey at the end of each game to help evaluate its effectiveness and provide feedback that contributes the development of these free resources for schools.

**COP 26 Website**

The COP 26 conference hosted in Glasgow last November prompted the development of a dedicated 'Green Skills' website - [greenskills.enginuity.org](https://greenskills.enginuity.org) - which focuses on the role of engineering and manufacturing in helping achieve Net Zero targets and highlights the need to recognise the skills required to achieve these.

Through this website, Enginuity can make a meaningful contribution to conversation about the route to Net Zero highlighting a data-led approach to defining green skills and illustrating its effectiveness through case studies.

During the COP26 conference, Enginuity's daily sentiment tracker sought to aggregate threads of opinion on green skills as they were expressed through social media, enabling focused discussion.

In total there were 1,870 users, with a total of 4,292 views across the website and 95% of those viewing the site were new users.

**Enginuity Skills Awards**

**Star-studded event celebrates the brilliance of our sector**

We were delighted to celebrate together in person for the first time since 2019 when we staged the Enginuity Skills Awards in March 2022 to recognise the best of UK engineering and manufacturing talent. More than 300 people gathered at our glittering awards ceremony held at 8 Northumberland Avenue in London which was hosted by Robert Llewellyn.

The Skills Awards celebrate the achievements of a new generation of talent which is already shaping the future of industry. They also recognise the dedication and commitment of employers in their critical role of training and developing the workforce of the future. Nine awards were presented plus the Best of British Engineering, won by Tom Brookes, Managing Director of Zzeus Training Ltd, a specialist fire alarm technician training centre based in Lincoln.

**'One engineer who is changing the world'**

**Tom Brookes, Zzeus Training Ltd**

**Skills Champion of the Year and Winner of the Best of British Engineering Award**

Tom Brookes took his inspiration from the Grenfell Tower fire and was determined to do whatever he could to help prevent such a catastrophe from ever happening again.

Tom said, "The UK has a shortage of qualified fire alarm engineers and Grenfell reinforced the critical importance of training in this area. Zzeus has created the conditions in which people within the fire alarm industry can gain a formal qualification. We have helped learners of all ages to gain qualifications including adults who have enjoyed long careers in the sector."

**Shaping Future Industry**

Ann Watson, Chief Executive Officer of Enginuity, said, "It was wonderful to see so many brilliant apprentices, learners and companies collecting awards and celebrating at the Enginuity Skills Awards. We have a remarkable depth of the talent and enthusiasm within the engineering and manufacturing sectors and our awards are the perfect opportunity to recognise how individuals are successfully rising to the challenge of changing the world."

Dame Judith Hackitt, DBE FREng, Chair of Enginuity, said, "The Enginuity Skills Awards enable us to celebrate the commitment of learners and apprentices, training providers and employers to skills development. These awards are a crucial opportunity for companies of all size to celebrate the new generation of talent shaping the future of our industries."

**Congratulations to all our Award Winners**

Training Partner of the Year Award sponsored by Burton and South Derbyshire College

**Winner: In-Comm Training**

SME Apprentice of the Year Award - sponsored by BAE Systems

**Winner: James Ashly from Gloucestershire Engineering Training**

Diversity in Engineering Award - sponsored by Enginuity

**Winner: Professor Lisa Brodie, the University of West England, Bristol**

SME Investment in Skills Award - sponsored by Jaguar Land Rover

**Winner: Dan Richardson from Tribosonics**

Large Employer Apprentice of the Year - sponsored by Fuse Universal

**Winner: Joshua Tee from MTC Apprenticeships**

Skills Innovation of the Year Award - sponsored by QinetiQ

**Winner: AutoLive from North Warwickshire and South Leicestershire College and Coventry University Enterprises Ltd.**

Graduate or Degree Apprentice of the Year - sponsored by The Engineer

**Winner: Ryan Yates of BAE Systems**

Skills Champion of the Year Award - sponsored by EAL

**Winner: Tom Brookes of Zzeus Training Ltd**

**TRUSTEES'/DIRECTORS' REPORT (continued)  
FOR THE YEAR ENDED 31 MARCH 2022**

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Digital Innovation of the Year Award - sponsored by Dassault Systemes  
**Winner: The Engineering Development Trust**

Best of British Engineering Award - sponsored by Enginuity  
**Winner: Tom Brookes of Zzeus Training Ltd**

## **Our People Achievements**

### **Wellbeing**

Looking after our people and promoting a great culture remained priorities for the year, and as the impact of the pandemic continues to be felt, particular emphasis was placed on mental health.

Workshops were devised to focus on Resilience and Coping Through Change. All managers were provided with training to support mental health, and eleven Mental Health First Aiders were trained to provide extra support for colleagues.

In line with greater recognition of the impacts of the menopause, colleagues were invited to Menopause Awareness workshops. Enginuity continues to build on this support, working towards becoming accredited as a 'Menopause Friendly Employer'.

Enginuity's approach to health and wellbeing led to Enginuity gaining 'Highly Commended' in the 'This Can Happen Awards' in 2021.

### **Building our Culture**

As an organisation based on remote working, we need to maintain a concerted focus on building culture, connection, and rapport amongst colleagues.

Dedicated "coffee and chat" sessions encouraged informal social engagements and these have been extended to include members of the leadership team.

Our Employee Voice Forum continued to provide a cross-organisation opportunity for colleagues to meet and identify how we can operate more effectively. Virtual 'CEO Live' sessions boosted visibility of our strategic direction as well as providing progress updates.

We were delighted to launch our Employee Volunteering Programme which enables colleagues to spend a day outside of work giving assistance or support to local or wider communities.

### **Values and Behaviours**

Underpinning our culture is a set of values which were launched as part of the new internal branding campaign in the summer of 2021. We are proud that more than half of our colleagues were involved in shaping the new values and behaviours and they have been embraced across the business.

Our four values are designed to ensure we are "boldly making a difference together":

- We Are Bold
- We Make a Difference
- We Are in it Together
- We Value All Voices.

Through this work, we were delighted to be named as a finalist in the Engage Awards for 'Best Use of Voice of the Employee'.

A peer-to-peer recognition scheme linked to values was also launched, enabling colleagues to celebrate the successes and contributions of others.

## ENGINUITY

### TRUSTEES'/DIRECTORS' REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2022

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#### Diversity and Inclusion

We continue to strive for world-class diversity and inclusion standards, achieving 'Bronze' Standard from Clear Assured for our commitment to, and progress in, equality, diversity, and inclusion.

This accreditation reflects our focus on embedding D&I throughout our recruitment and onboarding processes, policies and procedures, and cultural development programmes.

Achieving the Bronze standard marks our progress beyond compliance towards a cultural shift, where diversity and inclusion are embedded within the day-to-day experiences of colleagues.

#### Induction and Onboarding

The induction and onboarding process was re-structured to ensure a great colleague experience, with new colleagues invited to attend a 'Welcome Induction' during which they are given the opportunity to meet the executive team as well as their peers from across the business.

These sessions provide an opportunity to gain an understanding of Enginuity's culture and values in addition to helping colleagues appreciate the breadth of our operations.

#### Looking Ahead

In the year ahead we will be introducing a new employee engagement platform, Hive HR, to complement our existing employee voice channels. This platform will enable us to gather and listen to feedback, and make continuous improvements ensuring that the Enginuity Group remains a great place to work.

Even greater focus on diversity and inclusion will – hopefully – enable us to achieve Clear Assured Silver standard accreditation.

A Management and Leadership Development Programme will be launched to support our leaders and managers in continuously upskilling and driving a great experience for their teams.

We will continue to explore how we can provide the best candidate and employee experience through the use of HR systems and processes.

#### EAL & Enginuity Skills Limited

Together with our trading subsidiaries EAL and Enginuity Skills Limited 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 2021/22 EAL:

- ✓ Registered 77,947 students onto qualifications.
- ✓ Issued certificates to **64,109 students** recognising their achievements.
- ✓ Released 12 new qualifications, plus eight EAL Approved courses – a valuable endorsement which serves a kitemark on the quality of in-house training provision.
- ✓ **Achieved a score from their customers of 92.5%** rated customer service interactions as 'great' or 'amazing'
- ✓ Processed **121** new centre business leads and **30** existing centre business leads.

The financial year 2021/22 saw Enginuity Skills Limited deliver its first external contract to support the charity. Gamification was used to identify individuals with diverse skillsets that may not have been recognised through the traditional apprenticeship application and interview process, to help bring people with relevant experience and adjacent skills into a wide range of roles.

Enginuity's trading subsidiaries provide:

## ENGINUITY

### TRUSTEES'/DIRECTORS' REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2022

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- 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 and Enginuity Skills Limited Annual Reports for 2021/22 of all of their key achievements and their outlook for the year ahead.

## ENGINUITY

### TRUSTEES'/DIRECTORS' REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2022

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#### FINANCIAL REVIEW

The Consolidated Statement of Financial Activities for the year ended 31<sup>st</sup> March 2022 (page 23) shows a net increase in funds of £3,502k (2020/21 increase of £4,234k).

The key drivers of the financial result were:

- Better than anticipated financial performance by both Enginuity and EAL.
- EAL producing strong income growth year-on-year.
- Strong cost control measures.

Investment gains for the year ending 31<sup>st</sup> March 2022 are £1,985k (2021 gain of £4,707k).

The Charity's funding is derived from the subsidiaries' profits, and from delivering projects which address the productivity and skills development needs of employers and employees within the engineering sector.

The two trading subsidiaries produced a net surplus of £3,079k (2020/2021 the net surplus of £1,015k).

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

#### RESERVES POLICY

Enginuity holds a prudent level of reserves to support the aims of the charity and to ensure its long term sustainability. The Enginuity trustees believe that a prudent level of held reserves is £30-32m and any funds over that amount will be considered by the trustees for investment to further support Enginuity's charitable activities.

The Charity will hold free reserves to allow for the continuation of charitable work in the event that annual funding from the largest subsidiary (EAL) is unavailable as a result of business interruption, necessary investment or other circumstances.

The Charity also aims to hold reserves at least equal to its share of possible Section 75 liabilities related to the ITB pension fund (a multi-employer scheme of which Enginuity is a member). At the last available valuation (as of 31<sup>st</sup> March 2021), Enginuity's share of these liabilities amounted to £13.8m. To ensure that the charity has sufficient funds to address any further increase in pension liabilities or the risk of deficit payments following the triennial review which will take place during 2022 the trustees have agreed to take a conservative view and allow for an additional 20%, over and above this valuation, to be included in reserves.

In the unlikely event that the Charity should cease to operate, closure costs relating to staff liabilities and facilities costs have also been provided for. The Trustees have allowed for this figure in the calculation of reserves.

Finally, some of the Charity's reserves are invested for the long-term benefit but are exposed to short term risks. Given the volatile nature of almost all markets around the world, the Trustees feel that an additional reserve of 20% of the value of the investment fund is an appropriate amount at any given time.

At 31<sup>st</sup> March, free reserves were £36.604m (all reserves as per Note 21, less £25k of fixed asset reserves). This is £4.604m above the policy level, which the Board considers to be reasonable. The Board has committed some use of these reserves to projects in the year to 31<sup>st</sup> March 2023 as part of the annual planning cycle and will continue to review new business cases for work which furthers the charitable aims.

#### KEY MANAGEMENT PERSONNEL REMUNERATION POLICY

An annual 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.

## ENGINEUITY

### TRUSTEES'/DIRECTORS' REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2022

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#### PENSION COMMITMENTS

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.

The total cost to the company under both schemes for the year was £233,478 (2021 £251,000).

#### 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 £792k (2021 £811k). The overall Investment Fund increased by £1,985k during 2021/22 (2021 gain of £4,707k).

The impact of world events has impacted markets and reduced the value of the investments in the first two quarters of 2022. As at the end of June, Enginuity's investment portfolio had reduced by £1,693k or just over 5%. This is within the bounds set by the Reserves Policy.

#### 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 requiring disclosure under S162A of the Charities Act 2011.

## ENGINUITY

### TRUSTEES'/DIRECTORS' REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2022

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#### RISK REVIEW

The Audit Committee and 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 recovery of markets as a result of the pandemic and world events 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 against all strategic risks to help ensure the group remains financially healthy, and able to respond to changing external conditions.

#### FINANCIAL RISK MANAGEMENT

The Group and the charity company are exposed to a variety of financial risks, the most significant of which is investment 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, if required, diversifying the investment portfolio in accordance with sound investment policy.

World and national events will continue to have a major impact, all of which are being constantly reviewed and mitigated by the leadership team.

#### 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.

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

## ENGINUITY

### TRUSTEES'/DIRECTORS' REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2022

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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 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 General Meeting that Crowe U.K 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 29/09/2022 and signed on its behalf by:



**J Hackitt**  
Chair  
Enginuity  
Unit 2, The Orient Centre  
Greycaine Road  
Watford  
WD24 7GP

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ENGINUITY  
FOR THE YEAR ENDED 31 MARCH 2022**

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**Independent Auditor's Report to the Members of Enginuity**

**Opinion**

We have audited the financial statements of Enginuity (the "charitable company") and its subsidiaries (the "group") for the year ended 31 March 2022 which comprise Consolidated Statement of Financial Activities, Consolidated Balance Sheet, Charity Balance Sheet, Consolidated Cash Flow Statement and notes to the financial statements, including 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 the charitable company's affairs as at 31 March 2022 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 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 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**

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

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 charitable company'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.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

**Other information**

The trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the 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.

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 this gives rise to a material misstatement

## ENGINUITY

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ENGINUITY (continued) FOR THE YEAR ENDED 31 MARCH 2022

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in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

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

- the information given in the trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

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

In light of the knowledge and understanding of the charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' report.

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

- the parent company has not kept adequate accounting records; or
- the parent company 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**

As explained more fully in the trustees' responsibilities statement set out on page 17, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

#### **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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ENGINUITY (continued)  
FOR THE YEAR ENDED 31 MARCH 2022**

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Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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

Extent to which the audit was considered capable of detecting irregularities, including fraud  
Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006 together with the Charities SORP (FRS102) 2019. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company and the group for fraud. The laws and regulations we considered in this context for the UK operations were taxation and employment legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, and the Audit Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, designing audit procedures over income, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

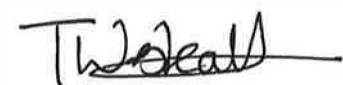
## ENGINUITY

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ENGINUITY (continued) FOR THE YEAR ENDED 31 MARCH 2022

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#### 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.



Tara Westcott

Senior Statutory Auditor

For and on behalf of

**Crowe U.K. LLP**

Statutory Auditor

4<sup>th</sup>Floor

St James House

St James Square

Cheltenham, GL50 3PR

Date: 17 October 2022

ENGINUITY

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (incorporating Income and Expenditure)

FOR THE YEAR ENDED 31 MARCH 2022

INCOME AND EXPENDITURE

	Notes	2022 £'000	2021 £'000
<b>Income</b>			
<i>Other trading activities</i>			
Income from trading subsidiaries	3b	10,390	8,121
<i>Investment income</i>	8	792	811
<i>Charitable activities</i>			
Externally funded projects	3a	711	262
Other	3a	264	196
<b>Total income</b>		<b>12,157</b>	<b>9,390</b>
<b>Expenditure on</b>			
<i>Raising funds</i>			
Expenditure of trading subsidiaries	3b	4,215	3,311
Investment managers' fees		56	49
<b>Total cost of raising funds</b>		<b>4,271</b>	<b>3,360</b>
<i>Charitable activities:</i>			
Improving access to learning and encouraging people into careers in the sector		3,345	3,881
Promoting and representing the sector		690	371
Developing and supporting occupational standards and learning frameworks		1,246	1,188
Research into skills gaps and shortages		255	363
Other		833	700
<b>Total charitable activities</b>	7	<b>6,369</b>	<b>6,503</b>
<b>Total expenditure</b>		<b>10,640</b>	<b>9,863</b>
<b>Net income/(expenditure) before gains on Investments</b>		<b>1,517</b>	<b>(473)</b>
Net gains on investments	11	1,985	4,707
<b>Net movements in funds</b>		<b>3,502</b>	<b>4,234</b>
Total funds brought forward	21	33,127	28,893
<b>Total funds carried forward</b>	21	<b>36,629</b>	<b>33,127</b>

All activities are continuing.

The notes on pages 28 to 44 form part of the accounts.

**ENGINUITY**

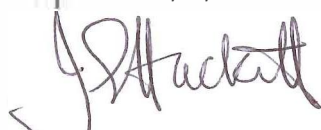
**CONSOLIDATED BALANCE SHEET**

**AT 31 MARCH 2022**

**(Company Number 02324869)**

	Notes	2022 £'000	2021 £'000
<b>FIXED ASSETS</b>			
Tangible assets	10	26	105
Investments	11	32,670	31,686
		<u>32,696</u>	<u>31,791</u>
<b>CURRENT ASSETS</b>			
Stocks	13	32	32
Debtors	14	1,864	1,695
Bank and cash balances		4,901	2,483
		<u>6,797</u>	<u>4,210</u>
<b>CURRENT LIABILITIES</b>			
Creditors: Amounts falling due within one year	15	(1,365)	(1,474)
Provisions	17	(1,499)	(1,375)
		<u>3,933</u>	<u>1,361</u>
<b>NET CURRENT ASSETS</b>			
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>36,629</u>	<u>33,152</u>
<b>CREDITORS: amounts falling due after one year</b>	16	<u>0</u>	<u>(25)</u>
<b>NET ASSETS</b>	22	<u>36,629</u>	<u>33,127</u>
<b>FUNDS AND RESERVES</b>			
Unrestricted reserves	21	<u>36,629</u>	<u>33,127</u>

The financial statements were approved and authorised for issue by the Board on the 29/09/2022 and were signed below on its behalf by:



**J Hackitt**  
Chair

The notes on pages 28 to 44 form part of the accounts.

**ENGINUITY****CONSOLIDATED CASH FLOW STATEMENT****FOR THE YEAR ENDED 31 MARCH 2022**

	Notes	2022 £'000	2021 £'000
<b>Cash provided by / (used by) operating activities</b>	a)	<b>702</b>	(1,122)
<b>Cash flows from investing activities</b>			
Investment income received		792	811
Payments to acquire investments		(36)	(527)
Cash withdrawn from investments		1,000	2,001
Receipts from the sale of investments		36	500
<b>Cash provided by investing activities</b>		<b>1,792</b>	2,785
<b>Cash flow from financing activities</b>			
Repayments of finance leases in the year		(81)	(81)
Interest paid on finance leases		5	5
<b>Cash not provided by financing activities</b>		<b>(76)</b>	(76)
<b>Net increase in cash</b>		<b>2,418</b>	1,587
<b>Cash and cash equivalents at start of year</b>		<b>2,483</b>	896
Cash and cash equivalents at end of year		<b>4,901</b>	2,483
<b>Analysis of cash and cash equivalents</b>			
Cash at bank and in hand		<b>4,901</b>	2,483

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

ENGINUITY

CHARITY BALANCE SHEET

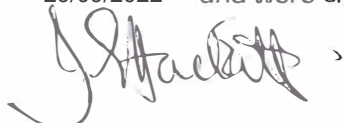
AT 31 MARCH 2022  
2324869)

(Company Number

	Notes	2022 £'000	2021 £'000
<b>FIXED ASSETS</b>			
Tangible assets	10	26	105
Investments	11	32,670	31,686
Investment in subsidiaries	12	-	-
		<u>32,696</u>	<u>31,791</u>
<b>CURRENT ASSETS</b>			
Debtors	14	4,164	520
Bank and cash balances		552	2,483
		<u>4,716</u>	<u>3,003</u>
<b>CURRENT LIABILITIES</b>			
<b>CREDITORS: amounts falling due within one year</b>	15	(892)	(2,377)
<b>NET CURRENT ASSETS / (LIABILITIES)</b>		<u>3,824</u>	<u>626</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>36,520</u>	<u>32,417</u>
<b>CREDITORS: amounts falling due after one year</b>	16	0	(25)
<b>NET ASSETS</b>	22	<u>36,520</u>	<u>32,392</u>
<b>FUNDS AND RESERVES</b>			
<b>Unrestricted funds</b>	21	<u>36,520</u>	<u>32,392</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 £1,917k (2021: surplus £4,194k).

The financial statements were approved and authorised for issue by the Board on the 29/09/2022 and were signed below on its behalf by:



**J Hackitt**  
Chair

The notes on pages 28 to 44 form part of the 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 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 2<sup>nd</sup> 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 directors have assessed whether the use of the going concern basis is appropriate and have made this assessment based on forecasts to the end of March 2024. As part of their assessment the directors have considered the impact of Covid-19 and market conditions. The directors have concluded that there is a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and continue as a going concern, with cash balances remaining healthy and positive throughout the forecast period. The directors do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

### Financial statements

The financial statements consolidate the results of Enginuity and its subsidiaries on a line by line basis. Please see accounting note 3 for further details.

## 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.

Awarding Organisation Income is recognised at the registration of the learners i.e. up front and before all learners have completed their qualifications. This is in line with our contractual commitments.

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.

### Gift aid

The charity owns the whole of the issued ordinary share capital of Excellence Achievement & Learning Limited, and Enginuity Skills Limited (see note 12).

Enginuity is a registered charity and as such is entitled to certain tax exemptions on income and profit from investments and surpluses on trading activities carried out in the furtherance of the Charity's primary objectives if these profits and surpluses are applied solely for charitable purposes. The UK subsidiary companies give all their taxable profits to the Charity, normally resulting in no liability to corporation tax.

Gift aid is recognised on the accrual's basis in line with the deed of covenant.

### Resources expended

Resources expended are included in the Statement of Financial Activities on an accrual's 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 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.

## ENGINUITY

### NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 MARCH 2022

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#### 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:

	<b>Years</b>
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 2022. 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)

### *Provision for Qualification Costs*

#### **Provisions**

Provisions are recognised when there is a present legal or constructive obligation as a result of a past event, it is probable that a transfer of economic benefit will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

#### **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 (unrestricted funds) comprises of those monies which may be used towards furthering the charitable objects. There was a net loss relating to restricted funds which has been covered by a movement from the unrestricted general funds.

#### **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.

### Judgements and key areas of estimation uncertainty

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

#### Provision for Qualification Costs

To determine the value of registrations and framework costs to accrue to the statement of financial position at year end. This decision depends on an assessment of the amount of outstanding qualifications learners have for registered courses. It is considered that the current provision is adequate to support learners achieve their qualifications within 5 years.

#### 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 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.

## 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 £61,799 in the year (2021: £105,404).

## ENGINUITY

### NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 MARCH 2022

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#### **Analysis of Income (continued)**

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 £711,164 in the year (2021: £231,164).

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 £264,272 in the year (2021: £196,000).

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

## ENGINUITY

### NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 MARCH 2022

#### 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.
- Enginuity Skills Limited delivers certain contracts and commitment for third parties in the engineering and manufacturing sectors which Enginuity the charity may not be able to enter into itself.

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	Enginuity Skills Limited £'000	2022 Total £'000	2021 Total £'000
<b>Income:</b>				
Income	10,269	121	10,390	8,121
<b>Total Income:</b>	10,269	121	10,390	8,121
<b>Expenditure:</b>				
Staff costs	2,808	11	2,819	2,900
Other operating charges	4,410	82	4,492	4,208
<b>Total Expenditure:</b>	7,218	93	7,311	7,108
<b>Net surplus/(deficit)</b>	3,051	28	3,079	1,013
Gift Aid to Enginuity	(3,051)	(28)	(3,079)	(973)
	<u>nil</u>	<u>nil</u>	<u>nil</u>	<u>40</u>

## ENGINUITY

### NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 MARCH 2022

#### 4. STAFF COSTS Group

	2022 £'000	2021 £'000
Wages and salaries	4,983	4635
Social security charges	520	509
Other pension costs	234	251
	<u>5,737</u>	<u>5,395</u>

Included within wages and salaries are agency staff costs of £nil (2021 £27,976) for the year. During the year the group made termination payments of £254,566 (2021: £214,319).

## ENGINEITY

### NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 MARCH 2022

#### 5. STAFF COSTS (continued)

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

	2022 No.	2021 No.
<b>By the Group</b>		
Training services	74	87
Support services	23	16
	<u>97</u>	<u>103</u>

#### Charity

The parent charity's staff costs are as follows:

	2022 £'000	2021 £'000
Wages and salaries	2,492	2,351
Social security charges	274	279
Other pension costs	131	103
	<u>2,897</u>	<u>2,733</u>

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

	2022 No.	2021 No.
Training services	16	12
Support services	23	26
	<u>39</u>	<u>38</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:

	2022 No.	2021 No.
£60,001 - £70,000	11	8
£70,001 - £80,000	2	3
£80,001 - £90,000	2	3
£90,001 - £100,000	3	-
£100,001 - £110,000	1	-
£110,001 - £120,000	1	1
£120,001 - £130,000	-	1
£140,001 - £150,000	2	1
£150,001 - £160,000	-	1
£190,001 - £230,000	1	-
£220,001 - £230,000	-	1
<b>Total</b>	<u>23</u>	<u>19</u>

The total of key management personnel compensation for the year was £818,718 (2021 £789,901).

## ENGINUITY

### NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 MARCH 2022

#### 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 £37,273 (2021 £35,000). The total amount of expenditure reimbursed to three Board members in respect of expenses incurred on the charity's activities was £992 (2021:nil). No other trustees received any remuneration (2021: £Nil).

#### 6. NET INCOMING RESOURCES

Net incoming resources are arrived at after charging the following:

	2022 £'000	2021 £'000
Auditor's remuneration		
- Audit services	22	40
- Tax compliance services	51	7
- Other non-audit services	35	47
Operating lease rentals-motor vehicles	86	17
Depreciation	79	82
	<u>          </u>	<u>          </u>

Auditors' remuneration includes £4,400 in respect of the audit of the parent charity (2021: £21,000) and £17,600 in respect of the audit of the subsidiary undertakings (2021: £19,000). Fees in relation to non-audit services were £35,000 (2021 £46,901).

#### 7. EXPENDITURE ON CHARITABLE ACTIVITIES

	Staff No's	Direct costs £'000	Support costs £'000	2022 Total costs £'000
Improving access to learning	6	1,880	1,465	3,345
Promoting and representing the sector	1	435	255	690
Developing and supporting occupational standards and learning frameworks	4	136	1,110	1,246
Research into skills gaps and shortages	1	-	255	255
Other charitable costs	-	758	75	833
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
	12	3,209	3,160	6,369
		<u>          </u>	<u>          </u>	<u>          </u>

## ENGINEUNITY

### NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 MARCH 2022

#### 7. EXPENDITURE ON CHARITABLE ACTIVITIES (CONTINUED)

	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	1188
Research into skills gaps and shortages	2	-	363	363
Other charitable costs	-	625	75	700
	<u>16</u>	<u>3,523</u>	<u>2,980</u>	<u>6,503</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 £63,691 (2021 £75,000) 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.

#### 8. INVESTMENT INCOME

	2022 £'000	2021 £'000
Income from fixed asset investments	792	811
	<u>792</u>	<u>811</u>

#### 9. TAXATION

Engineunity 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
<b>Group Cost</b>		
At 1 April 2021	1,026	1,026
At 31 March 2022	1,026	1,026
<b>Depreciation</b>		
At 1 April 2021	921	921
Charge in year	79	79
At 31 March 2022	1,000	1,000
<b>Net Book Value</b>		
At 31 March 2022	26	26
At 31 March 2021	105	105

## ENGINUITY

### NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 MARCH 2022

#### 10. TANGIBLE FIXED ASSETS (continued)

	Office furniture & equipment £'000	Total £'000
<b>Charity</b>		
<b>Cost</b>		
At 1 April 2021	724	724
At 31 March 2022	724	724
<b>Depreciation</b>		
At 1 April 2021	619	619
Charge in year	79	79
At 31 March 2022	698	698
<b>Net Book Value</b>		
At 31 March 2022	26	26
At 31 March 2021	105	105

The net book value of tangible fixed assets held under a finance lease for the group and the charity was £25,064 (2021: £100,735).

#### 11 FIXED ASSET INVESTMENTS

Group and Charity	£'000 COIF Charity Funds	£'000 BNY Mellon	2022 £'000	2021 £'000
Balance 1 April 2021 at market value	22,864	5,686	28,550	23,817
Additions	36	0	36	527
Disposals	(36)	0	(36)	(500)
Unrealised gain on revaluation	1,985	0	1,985	4,707
			<b>30,535</b>	28,551
Cash awaiting investment	2,135	0	2,135	3,135
Balance at 31 March 2021 at market value			<b>32,670</b>	31,686
Historical cost of investments			<b>30,254</b>	31,217

The net gain on revaluation was £1,985k (2021 £4,707k).

Enginuity has investments in the COIF Charity Funds totalling £24.5M equivalent to 1,277,292.38 units at year end. The investment is only available to charities within the meaning of section 1(1) of the Charities Act 2011.

## ENGINUITY

### NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 MARCH 2022

#### 11. FIXED ASSET INVESTMENTS (continued)

	2022 £'000	2021 £'000
COIF Charities investment fund income units	24,849	22,864
COIF Charities deposit fund	2,135	3,135
BNY Mellon Real Return fund Newton Inst. Shares 1 (inc)	5,686	5,687

#### 12. INVESTMENTS IN SUBSIDIARIES

	2022 £'000	2021 £'000
<b>Charity</b>		
Shares at cost	51	5,980
Long term loan	-	2,771
	<u>51</u>	<u>8,751</u>
<b>Impairment provision</b>		
Balance at 1 April 2021 and 31 March 2022	(51)	(8,751)
	<u>-</u>	<u>-</u>

The impairment provision is to write down Enginuity 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.

#### **Enginuity Skills Limited (company registration no 12172530)**

A company registered in England and Wales whose principal activity is the provision of projects for specific commercial partners within the engineering sector.

#### **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. The company ceased active trading 31 March 2020.

#### **Training Properties Limited (company registration no 02311840)**

A company registered in England and Wales which operates as a property manager within Great Britain. The company ceased trading 18 June 2018.

#### **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 the subsidiaries, except for Excellence Achievement & Learning Limited and Enginuity Skills Limited, are dormant.

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

## ENGINUITY

### NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 MARCH 2022

13. STOCKS	Group		Charity	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Resalable publications	32	32	-	-
<b>14. DEBTORS</b>	<b>Group</b>		<b>Charity</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Amounts falling due within one year</b>				
Trade debtors	1,294	927	43	-
Amounts owed by subsidiary undertakings	-	-	3,735	-
Other debtors	-	82	-	81
Prepayments	344	481	160	234
Accrued income	226	205	226	205
	<b>1,864</b>	<b>1,695</b>	<b>4,164</b>	<b>520</b>

Bad debt recognised for the group during the year as an expense was £13,362 (2021: £200).

15. CREDITORS: amounts falling due within one year	Group		Charity	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Trade creditors	318	383	256	296
Taxation and social security	448	358	340	358
Other creditors	56	131	32	51
Accruals	494	326	252	224
Finance lease liabilities	25	75	8	75
Deferred income (note 18)	24	201	4	201
Amount owed to subsidiary undertakings	-	-	-	1,172
	<b>1,365</b>	<b>1,474</b>	<b>892</b>	<b>2,377</b>

During the year intercompany loan balances were written off to the value of £Nil (2021 £Nil). All other balances are interest free and repayable on demand.

16. CREDITORS: amounts falling due after one year	Group		Charity	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Finance lease liabilities	-	25	-	25
	<b>-</b>	<b>25</b>	<b>-</b>	<b>25</b>

## ENGINUITY

### NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 MARCH 2022

17. PROVISION FOR LIABILITIES	Group		Charity	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Balance at 1 <sup>st</sup> April	1,375	1,605	-	-
Amount released to costs	(1,375)	(1,605)		
<b>Amount provided</b>	<b>1,499</b>	<b>1,375</b>		
<b>Balance at 31 March</b>	<b>1,499</b>	<b>1,375</b>		

This provision represents the costs anticipated to support students who have registered with EAL and still have units of learning or examinations to complete to achieve their qualifications, over the next 5 years.

In the accounts for the year to 31 March 2021, this liability was shown as Deferred Income. It was reclassified in the year to 31 March 2022.

18. DEFERRED INCOME	Group		Charity	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Balance at 1 April	201	201	201	201
Amount released to income	(201)	-	(201)	-
Amount deferred in the period	24	-	4	-
<b>Balance at 31 March</b>	<b>24</b>	<b>201</b>	<b>4</b>	<b>201</b>

Deferred income of £23,500 (2021: £200,549) relates to externally funded projects both from customers within and outside of UK with deliverables between 1 to 3 years.

### 19. FINANCE LEASE AGREEMENTS

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

	2022 £'000	2021 £'000
<b>Due in:</b>		
Less than one year	25	75
One to five years	-	25
	<b>25</b>	<b>100</b>

### 20. OBLIGATIONS UNDER OPERATING LEASE AGREEMENTS

At 31 March 2022 the group has future minimum lease commitments as follows:

	2022 £'000	2021 £'000
<b>Expiry date</b>		
Less than one year	20	244
One to five years	10	318
	<b>30</b>	<b>562</b>

## ENGINUITY

### NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 MARCH 2022

#### 21. FUNDS AND RESERVES

	2022 £'000	2021 £'000
<b>General unrestricted reserve</b>		
<b>Group</b>		
At 1 April	33,127	28,893
Realised and Unrealised gains on investments	1,985	4,707
Income received	12,157	9,390
Expenditure	(10,640)	(9,863)
	<u>36,629</u>	<u>33,127</u>
At 31 March	<u>36,629</u>	-
<b>Charity</b>		
At 1 April	32,392	28,198
Realised & Unrealised gains on investments	8,787	9,503
Income Received	1,767	1,238
Expenditure	(6,426)	(6,547)
	<u>36,520</u>	<u>32,392</u>
At 31 March	<u>36,520</u>	-

#### 22. NET ASSETS/LIABILITIES

	Group		Charity	
	Unrestricted funds 2022 £'000	Unrestricted funds 2021 £'000	Unrestricted funds 2022 £'000	Unrestricted funds 2021 £'000
Tangible fixed assets	26	105	26	105
Investments	32,670	31,686	32,670	31,686
Current assets	6,797	4,210	4,716	3,003
Current liabilities	(1,365)	(1,475)	(892)	(2,377)
Non-current liabilities	-	(25)	-	(25)
Provisions	(1,499)	(1,374)	-	-
	<u>36,629</u>	<u>33,127</u>	<u>36,520</u>	<u>32,392</u>

NOTES TO THE FINANCIAL STATEMENTS  
(continued) FOR THE YEAR ENDED 31 MARCH 2022

23. FINANCIAL ASSETS AND LIABILITIES	2022 £'000	2021 £'000
<b>Group</b>		
Financial assets measured at fair value through profit or loss	<u>30,535</u>	<u>28,551</u>

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

**24 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.

**25. 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 £8 (2021: £1,015) provided by Anthony Watson. The consultant is a close family member of the Group's Chief Executive Officer.

During the year the group incurred cost in relation to consultancy services amounting to £1,125 (2021: £0) provided by Rob Townsend. 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 £17,500 (2021: £30,675) from Get My First Job. One of a number of shareholders of Get My First Job is a close family member of the EAL's Chief Operating Officer.

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