Enginuity

Annual Report and Consolidated Financial Statements

for the year ended 31 March 2025

Company Number: 02324869
Charity Number: 1000328

Contents

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Board Members
Sir J McDonald GBE (appointed 1 September 2024)
Dame J Hackitt (resigned 31 August 2024)
M Evans
S Hunter
S Pamplin
M Tarry
P Birt
S Sandle
V Saward
P Perera
A Williams (appointed 23 January 2025)
L Logan (appointed 23 January 2025)
R Wilson (appointed 27 January 2025)

Chief Executive
A Watson

REPORT OF THE CHAIR BY SIR JIM MCDONALD GBE

Firstly, as I have succeeded Dame Judith Hackitt as the Chair of the Enginuity Group Board, I would like to thank her for her service, leadership and contributions in shaping Enginuity's reinvention. She ensured Enginuity maintained its focus on what is best for employers, confirming its role in the sector as the voice of the SME.

This year has not only marked a change in leadership for the Enginuity Board, but also in the leadership of the UK Government. As we navigate through the changes brought about by the new Labour Government, I am pleased to see that productivity and skills have been positioned at the heart of national and political conversation. This focus has made Enginuity's role as the "*sector connector*", and voice of the SMEs, all the more crucial. We also welcomed three new trustees to the board, including our first trustee representing young engineers, Alexia Williams, alongside experienced senior executive Luke Logan and HR leader Rachel Wilson. A further three new trustees will join in September.

Engineering is at the heart of many of the opportunities and challenges our country faces. By solving the skills challenges in engineering and manufacturing, we can ensure that employers have the people and capabilities required to seize the exciting opportunities created by decarbonisation, electrification, digitisation, and advanced manufacturing, to our national benefit.

In the past year, Enginuity has advocated for our beneficiaries' needs with policymakers and stakeholders across all four nations, including submitting a response to the Industrial Strategy White Paper Consultation, providing evidence to the Education Select Committee's Inquiry into Further Education and Skills and responding to the structural reforms underway in Scotland, through a formal policy recommendation.

The launch of the SME Advisory Board in August 2024 allowed us to work even more closely with SMEs, and to understand more clearly the challenges they face, in order to channel our influence and to advocate for the right policy changes. The commitment and passion of these small businesses to invest in skills and promote the important work of Enginuity Group should be commended.

2024-2025 marked the introduction of the comprehensive 'Theory of Change' impact framework to plan and capture all charitable activity and projects. The past year has allowed us to demonstrate impact for a wide range of beneficiaries, including our first SME cohort of the Lead to Succeed management development programme, scholarship funding for Masters in Artificial Intelligence & Data Science and the development of resources supporting workforce planning for SMEs.

The *Alliance* launch events in London and Scotland made the benefits of a collaborative approach to solving skills challenges clear. The past year has seen Enginuity deepen its relationship with key partners like Teesside University and the Electrification Skills Network and develop new ones with Witherslack Academy Group and the HM Prison and Probation Service, to explore how we can attract traditionally under-represented groups into engineering.

Enginuity continues to emphasise the importance of data in understanding and responding to skills challenges. We have updated our Skills Framework to support our digital products, and to deliver sector data, blended with skills expertise, to create useful insight which can guide employers and policy makers.

EAL has shown strong growth in a volatile and changeable market. It has made excellent progress with its transformation programme, continuing to integrate technology to improve internal processes and customer experience, notably launching Certify, a digital certification platform to customers this year. We continue to see the number of assessments grow, demonstrating that skills development is a key priority, regardless of qualification reform.

As a charitable group, Enginuity continues to build on its success in developing our engaged organisation, demonstrated through remarkable employee engagement ratings for the second year in a row, whilst growing overall headcount.

Next year will see the team focus on increasing the charitable impact of projects from the past year, and developing ambitious plans on four key areas: developing an engineering skills observatory providing access to high quality data and insight to our beneficiaries and stakeholders; establishing a National Policy Centre to empower supply chain SMEs; building a network of influential allies to increase the impact of what we do; and, the delivery of a number of projects to break down barriers, accelerate skills acquisition and to drive opportunities for minority groups as part of our ambitious five-year vision.

I am enormously proud of the success Enginuity has achieved this year. I look forward to working closely with my fellow Board members, Ann, and the rest of our excellent team at Enginuity to deliver our bold plans in support of UK engineering and manufacturing.

1. 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, Excellence, Achievement and Learning Limited (EAL) – company number 02700780 and Enginuity Skills Limited (ESL) – company number 12172530.

The members of the Board who held office during the year were (see key below):
Sir J McDonald GBE (Chair) -appointed 1/9/24
Dame J Hackitt (Chair) – resigned 31/8/24

M Evans	2
S Hunter	
S Pamplin	6
M Tarry	1&4
P Birt	1&3
S Sandle	3
V Saward	5
P Perera	

A Williams (appointed 23/1/25)
L Logan (appointed 23/1/25)
R Wilson (appointed 27/1/25)

Committee Membership Key:
1 Member of the Investment Committee
2 Member of the Audit Committee
3 Member of the Remuneration, Pensions and Nominations Committee
4 Member and Chair of the Audit Committee
5 Member and Chair of the Investment Committee
6 Member and Chair of the Remuneration, Pensions and Nominations Committee

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

2. STRATEGIC REPORT

During 2024-25, Enginuity built on its mission to engage employers in engineering and manufacturing industries to advocate for their needs, and to develop projects and interventions to develop the skills and inspire the talent that the sector needs.

Enginuity's focus for 2024/25 was supporting small and medium enterprises (SMEs) to help them develop a skilled and talented workforce fit for the future, as these organisations are crucial to supply chains, wider sector growth, and our productivity as a nation.

Strategic engagement

Throughout the last year, Enginuity has been working with employers and policymakers from all four nations to support the engineering and manufacturing skills ecosystem.

Enginuity has engaged with multiple bodies and policymakers, including meeting with the Second Parliamentary Secretary to the Treasury to convey the impact of the Autumn Budget on SME employers. We produced multiple consultation responses on key issues facing employers including MAKE UK's Industrial Strategy Skills Commission and the Education Select Committee's Inquiry into Further Education and Skills. Enginuity also organised an Industrial Strategy Roundtable to gather SME employer views to inform another government consultation on this key topic.

We attended the first meeting of the Advisory Board for the Compressed Air and Vacuum Technician Apprenticeship, organised by the British Compressed Air Society, to explore ways to drive engagement with the standard from training providers and continue to support this important project in ensuring access for SMEs to high quality apprenticeship provision.

During the year, we have sought to give a voice to smaller employers through the creation in August 2024 of the SME Advisory Group and have engaged in proactive and positive dialogue with policymakers on identifying quick wins and driving longer-term change to support employers in engineering and manufacturing.

We started working with the National Association for Hospital Education to develop a pilot project at Alder Hey Hospital to provide our Enspire resources to children in in-patient wards. The goal is to encourage students in hospital schools to consider STEM education. There are plans in development for further pilots in more hospitals in the coming months.

Our partnership with Teesside University deepened. Alongside the scholarship support detailed in the following section, we developed, with their support and that of Innovate UK, a strategic workforce planning toolkit explicitly designed for SMEs in engineering and manufacturing, which will be rolled out more widely in 2025/26.

In Scotland, we worked closely with Skills Development Scotland to create support materials for those delivering New Engineering Standards and Frameworks. The resources are due to be published in the coming months.

Support for beneficiaries

The 2024/25 financial year saw Enginuity directly support a number of beneficiaries.

Enginuity continued its successful partnership with Teesside University to provide scholarships to support wider access to higher education. Eight students were granted scholarships by Enginuity to complete a Masters in Artificial Intelligence & Data Science. Many of the students are due to graduate in Summer 2025, with the rest over the following year. While their career paths are still unfolding, we look forward to seeing their impact on the sector. One scholarship recipient shared that "the scholarship was a lifeline for me, and I have worked very hard throughout my Masters, honouring this second chance I have received in my career."

In the latter half of 2024, Enginuity provided bursaries to three females students, enabling them to embark on an engineering degree that, without our support, would have been unattainable to them. The opportunity has been invaluable to this student: "[before the scholarship] I've not been able to achieve my full potential academically and get the grades to have the same opportunities as other people with better financial support. It's a dream come true to have the chance to excel in my degree."

Research told us that leadership skills in SMEs was a skills gap that many small businesses could not afford to fill. Enginuity made available its internal leadership programme "Lead to Succeed" to SME leaders and managers. The first cohort completed the 'Lead to Succeed' leadership and management development programme in March 2025. Eight SME managers, who had never previously received any formal leadership or management training, completed the training course in March 2025. The course achieved a high overall impact, averaging 8.6/10 across key skills, including self-awareness, coaching, workplace innovation, and leadership development. One manager said "I'm a better manager, employee and colleague... because of the course."

Enginuity Skills Awards

The Skills Awards and gala dinner took place in June 2024 saw a significant increase in the number of nominations over the previous year. In total, the awards attracted 132 entrants from 78 individual businesses, more than 300 attendees on the night and a press reach of over 5.2m. The event marked the tenth anniversary of the celebration and brought together past Best of British winners to explore the impact of the skills awards on their career and how this recognition has increased their impact on the sector. The event took every opportunity to celebrate young engineering talent: apprentices competed to design a trophy which reflected the spirit of modern engineering, and they also created the centrepieces for each table. In 2024, the centrepiece design was inspired by the idea of skills as wings.

3. STRUCTURE, GOVERNANCE AND MANAGEMENT

The Charity is governed by a Board representative of the sector. 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, Pensions and Nominations Committee
- Quality Assurance Committee.

In addition, a Board Standing Committee meets as and when required and has delegated authority to approve expenditure and contracts on behalf of the Board. As directors of the company, the Board members are responsible for overseeing the company's business in a manner consistent with its charitable objectives. They are also guarantors to the company. The two subsidiaries are Excellence Achievement & Learning Limited (EAL), a vocational awarding and assessment organisation, and Enginuity Skills Limited (ESL), which is used to enter into and service commercial contracts for products/services developed by the Charity.

Enginuity measures projects, funding initiatives, partnerships, and our wider societal impact using our Theory of Change model. This allows us to measure our outputs, outcomes and our progress towards the delivery of a thriving and more productive engineering and manufacturing sector that benefits society.

Enginuity has reviewed the Charity Governance Code and mapped processes against the recommended practices. The Code is used as a tool for continuous improvement towards the highest standards within Enginuity and an action plan is in place. An external review of the Board and Committees was conducted in 2025 and will be undertaken every three years. In addition, annual Board and Committee self-assessments are carried out.

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 and approved by the Board. Detailed appraisals are undertaken and financial implications evaluated prior to all capital expenditure and projects. Risk registers are reviewed and updated by the Executive Leadership Team regularly, considered by the Audit Committee at each meeting and reported back to the Board at each board meeting.

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 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 firm CCLA, with the Investment Committee 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 manager and make recommendations to the Board on investment policy and strategy.

Remuneration
Chair and senior executive remuneration and the Group's pay and reward strategy are governed by the Remuneration, Pensions and Nominations Committee, which is chaired by an Enginuity Board member and has members who are suitably qualified.

Quality assurance
The Quality Assurance Committee oversees governance of the systems, controls and processes that impact the organisation's ability to meet its legal and regulatory responsibilities. It provides challenge and advice where necessary on areas of concern. The committee aims to provide assurance to the Enginuity Group Board that there is continual improvement in the quality of governance, systems and control, in line with the group's strategic objectives.

Appointment of Board members
The appointment of Board members, for a maximum of three terms of three years, is made by trustees on the recommendation of the Remuneration, Pensions and 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.

4. PUBLIC BENEFIT DISCLOSURES

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, assessments, and validation, in order 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 confirms that it has paid due regard to the Charity Commission guidance. The charity's activities and achievements are set out below.

5. OBJECTIVES AND ACTIVITIES

5.1 Aims and objectives

The objectives for which the company is established are for the public benefit:

To promote and advance education, training and skills in science, technology, engineering, and manufacturing, and, in particular, to advance skills in such areas as are or may be in future required by the engineering profession, for the development of: (i) persons employed or intending to be employed in industry and/or commerce, and (ii) the public generally.

Our trading subsidiary, EAL, was further established to promote and advance the education, training, and skills development of persons employed or intending to be employed in industry and commerce, and, subject to the foregoing objectives, to extend such training to members of the public. Also, in furtherance of the above objectives:

- To develop and set standards for education and training, to validate, test and monitor the standards, and to issue certificates. To provide facilities for education and training. To provide training courses, instruction, and demonstrations of all sorts.

The charity's focus remains on finding innovative ways to close the skills gap in the engineering and manufacturing sector. To maximise efficient use of the charity's resources, all future activities will be based on a response to five key problem statements as follows:

- Employers are struggling to fill current skills gaps.
- Employers are struggling to fill future skills gaps.
- The education system often cannot meet the needs of all employers, and particularly those of SMEs.
- The education system is fragmented and confusing.
- To affect change Enginuity needs to be recognised and respected as the sector connector and an approachable expert.

2024/25 was the first year utilising the comprehensive 'Theory of Change' impact framework to plan and capture all charitable activity and projects. We will build on the solid foundations and achievements that Enginuity has been recognised for in 2024/25 and will capitalise on those successes and strengths.

5.2 Key activities

5.2.1 Partnerships and projects

Our strategic objectives for 2024/25 focused on ways we could support employers in narrowing the skills gaps. They were:

- Creating a Community and Closing Skill Gaps in collaboration with others
- Sharing Insight and Shaping Policy
- Delivering Solutions with Impact
- Increasing Diversity by Removing Barriers.

Creating a Community and Closing Skill Gaps in Collaboration with others

Engagement is at the heart of what we do. We strove to further integrate Enginuity within key stakeholder groups that influence reskilling and upskilling strategies. Central to this goal was creating a community with a shared goal of closing the skills gaps impacting the sector and to increase the size and scale of our engagement team to have connect directly with more organisations and beneficiaries.

The Enginuity Alliance

Enginuity launched the Enginuity Alliance in November 2024 at the Houses of Parliament, at an event hosted by a new Labour MP and ex-engineer, Mike Reader MP. The Alliance is a movement of like-minded organisations and individuals, committed to working together to remove the barriers preventing the industry from developing the skills it needs.

The Alliance was also launched in Scotland in February 2025, at an event hosted by the Enginuity Chair, Professor Sir Jim McDonald, with keynote speeches from key partners Scottish Engineering and Skills Development Scotland.

Members of the Enginuity Alliance, also known as allies, have the satisfaction of knowing they are part of the collective action to solve the challenges facing the engineering and manufacturing sector.

The Enginuity Alliance has gained traction and brand recognition on social media following our launch events and media campaigns. More than 150 organisations have joined The Alliance since its launch, with 207 allies currently part of the movement.

Gatsby T-Level Awareness Campaign

Enginuity is working with Gatsby and other partners to raise awareness and understanding of T-Levels among employers in engineering and manufacturing. So far, an advocacy group has been set up, and research has been conducted with T-Level providers. We created and maintained a new page on the Enginuity Website to provide clear information to SMEs about T Levels, which has been visited 973 times. In October 2024, Gatsby and Enginuity developed and launched a marketing campaign to reach SMEs. The most recent campaign received 77,769 impressions, 25,783 video views, and 91 clicks on LinkedIn, and drove 237 small or micro businesses in engineering to learn more about T Levels. We are pleased with the impact that Enginuity is having on SMEs, and Gatsby has extended the project until December 2025.

National Manufacturing Taskforce

The National Manufacturing Skills Taskforce (NMSTF), facilitated by Enginuity, addresses the skills gaps hindering employers and the education system's struggle to meet employer needs. The group brings together representatives from unions and employers to collectively address the skills challenges facing all parts of the manufacturing sector.

This year, the taskforce has undertaken many activities to positively influence policy, including submitting a joint taskforce response to the industrial strategy Green Paper and sending a letter to the Chair of Skills England regarding issues with SMEs upskilling their workforce. Furthermore, the taskforce has partnered with the Government and other organisations on key initiatives such as the FE Skills White Paper, HGV Driver Shortage and the No 10 Skills Delivery Plan. With the support of Enginuity the NMSTF has developed strong links with the Department of Business and Trade, Department for Education and the Department for Work and Pensions.

Sharing Insight and Shaping Policy

Enginuity has delivered insight and thought leadership that supports SMEs and employers, enriches the engineering and manufacturing sector and informs the development of impactful solutions and policies, both internally and externally.

Enginuity Future Skills Hub

Cognisant of the rapid transformation of engineering and manufacturing, Enginuity launched its Future Skills microsite in March 2024 to demystify the skills, technologies, and transitions reshaping industry, and help particularly smaller employers understand the skills they need to keep pace with change. Enginuity worked with partners, including The Green Edge and Made Smarter, to ensure that the hub provides a wealth of invaluable information.

The Enginuity Future Skills Hub holds a wide range of accessible, bitesize resources on the skills related to emerging technologies, highlighting popular topics through interviews, case studies, and podcasts. During 2024-25, two new sections were added: Demystifying Electrification and Demystifying Hydrogen, with more topics to come. The Future Skills Hub received 3601 views to the end of 2024/5.

Women in STEM Apprenticeships: Employers' Guide

Enginuity has developed an employer's guide to attract and retain more women and girls into STEM apprenticeships. The Women in STEM Apprenticeships Guide presents practical advice and insights for employers to help women and girls overcome the barriers they face when accessing STEM apprenticeships. These STEM apprenticeship resources have been designed around four key themes: attract, recruit, support and retain. The resource guide was successfully launched at the end of March 2025.

Changing Attitudes to Vocational Education

In August 2024, ahead of the first T Level Results Day, for engineering subjects, we ran a survey to understand if and how attitudes to vocational training are changing for young people and their parents. Parents and children, aged 11-18, in 1,000 households across England were surveyed. The results revealed a significant shift in attitudes towards vocational routes into employment. Nearly 90% of parents are now more interested in vocational routes as a pathway for their children to enter their chosen careers, instead of the traditional university path. As for the children surveyed, 82% said they would be interested in more vocational routes to enter their chosen career. This data has been referenced in the UK Quantum Skills Taskforce report released in May 2025.

Policy

During 2024/5, Enginuity established a specific policy team investing more resource into this important area with an ambition to shape and influence Government skills policy. Over the past year, Enginuity has collaborated closely with our stakeholder groups, including the SME Advisory Group, the Strategic Advisory Group and the National Manufacturing Skills Taskforce to gather insights from employers and other stakeholders to advocate for the development of policies aimed at closing skills gaps across the UK. By implementing a more formal policy governance process, we have been able to research and advocate these policies to Westminster and the devolved governments focusing on areas of priority based on potential interest and political significance.

In our Industrial Strategy response, we welcomed the government's approach to economic growth and its emphasis on cross-cutting policy issues that deter investment, such as workforce skills. We strongly represented the voice of SMEs, urging the Government to avoid narrow sector definitions that could inadvertently impact SMEs in the manufacturing and engineering sector. We championed the role of SMEs as essential contributors to these sectors, recommending that the Government adopts a flexible approach to sector definitions, since most SMEs do not fit neatly into a single category.

Enginuity has also addressed the policy connection between achieving net-zero and the skills needed for it. This work includes submitting evidence to the UK Parliament's Energy Security and Net Zero Committee, meeting with officials from various government departments, and contributing to Skills England's early outreach to stakeholders on green skills.

Additionally, we have worked closely with the Department for Education (DfE) to provide feedback on behalf of the SME community regarding initial proposals for the foundation apprenticeship product. Ensuring that the apprenticeship system meets the needs of SMEs remains a significant focus of our efforts and will continue to be for the financial year ahead.

We are also scaling up our advocacy work in Scotland, particularly considering the major structural reforms currently underway in the skills landscape. We have developed policy recommendations to protect the strengths of the existing modern apprenticeship system in Scotland and to prevent any unintended consequences that may arise from shifting funding and responsibilities within the Scottish Government. We have presented these recommendations to parliamentarians, government officials and supportive stakeholders.

Delivering Solutions with Impact

In 2024-25, we consolidated existing projects and interventions to ensure that they have an impact measurable through the Theory of Change model. We also utilised our existing partnerships and sector knowledge to produce new solutions to close skills gaps.

Automotive Upskilling/Reskilling Programme

The Automotive Upskilling/Reskilling Programme was a pilot initiative designed to test a new approach to skills development in the automotive sector, focusing on electrification and digitalisation training. The project has two key aims: the first to address the challenges faced by employers in identifying upskilling needs; and secondly overcoming the fragmented nature of accessing training for the existing workforce across the UK automotive sector by providing visibility and access via a single online platform.

Enginuity was a key partner in this pilot, actively working closely with the Automotive Skills Working Group members, SMMT and the Department for Business and Trade.

The pilot successfully engaged 121 stakeholders who registered on the platform, demonstrating strong initial interest. Notably, 40 users have already returned to the platform post-registration indicating encouraging early adoption by training providers, employers, individuals, and intermediaries. The success of the pilot has led to an announcement of its expansion across all sectors of Advanced Manufacturing as part of the Government's Advanced Manufacturing Plan published in July 2025.

Electrification Skills Network

Funded by UK Research and Innovation (UKRI) and led by Coventry University, the Electrification Skills Network was created to develop a solution to increasing electrification skills attainment and therefore productivity in the UK. It brings together employers, training providers, and accreditation organisations enabling them to collaborate on the development of a dynamic electrification skills framework that highlights and addresses key skills gaps.

Enginuity was a consortium member who bid alongside Coventry University and other partners for the UKRI funding. Enginuity, maximising its substantive employer engagement network, led the employer workstream for the automotive and aerospace sectors. We conducted a detailed mapping exercise that is helping to shape a dynamic roadmap and engagement plan. The plan will help employers to identify skills gaps, procure the proper training, network with similar organisations and contribute to the framework content. Following work during 2023 and 2024, over 210 employers, 44 trade/sector bodies and 29 funding bodies have been mapped and contacted.

The framework is due to go live in June 2025 and once complete, will deliver a comprehensive reference point for electrification skills, providing the essential connections, guidance, and best practices for industry, while also contributing to a thriving electrification ecosystem.

This project also led to a partnership between EAL and UKBIC to develop the first fully regulated qualification in Battery Manufacturing, which was launched in June 2025, with more qualifications planned to support the growth of this vital sector in the UK.

ADS Role Explorer and ADS Skills Comparator

ADS is the specialist trade association for the aerospace, defence, security and space sectors. Enginuity supported ADS members in raising the awareness of opportunities within the sector to adults, culminating in a launch at the Farnborough Air Show in July 2024.

Role Explorer and Skills Comparator are two interactive online tools developed by Enginuity to support outreach and engagement for the ADS Group at the Farnborough Airshow 2024. Designed to inspire and inform, the Role Explorer showcases a wide range of career opportunities across the aerospace and defence sectors, providing insights into key responsibilities, required skills and related roles.

Complementing this, the Skills Comparator enables users to explore career options by selecting their current occupation, identifying the relevant skills within that role that could be applicable in demand roles in the sector. Each user gets a personalised recommendation of roles which may fit their skills and experience and customising their profile with five additional skills. The tool then suggests matching roles within the ADS sectors, helping individuals discover how their unique skillsets align with exciting career pathways. In 2024/25, ADS Role Explorer had 1,500 interactions and ADS Skills Comparator had over 1,700 interactions. Enginuity supported this initiative by providing its IPR free of charge

Cell and Gene Therapy Catapult's Career Converter

Enginuity's continued support of the Cell and Gene Therapy Catapult's Career Converter digital product continued to attract talent to the advanced therapies sector by helping individuals understand how their existing skills could transfer into this field and providing a pathway for upskilling and transitioning into 16 key roles within vaccine production and distribution. Enginuity supported this initiative by providing its IPR free of charge.

The Career Converter tool has seen 1,088 users since its launch, with over 300 of those users in the current financial year. The tool has successfully provided users with detailed career pathways, skills development guidance and industry partnerships. Despite its impact, the Career Converter was closed at the end of 2024 due to a lack of funding.

Lead to Succeed

Lead to Succeed is a 13-month leadership programme designed to develop essential meta-skills in management teams of small and medium-sized enterprises (SMEs), particularly in the engineering and manufacturing sectors.

The programme aims to provide SME employers with engaged and committed employees who possess strategic thinking skills aligned with the business objectives. During the course of 2024/25, eight SME managers completed the Lead to Succeed programme and a further 8 began a new programme.

Participants develop skills in self-awareness and empathy, motivation and trust, constructive challenge, coaching and mentoring, inclusive leadership, effective change management, and workplace innovation. Evaluation forms indicated the programme's positive impact on employees, their teams, and their organisations. Post-completion feedback shows that participants felt they improved their skills in these areas, with impact ratings ranging from 8/10 to 10/10 for each skill.

Knowledge Transfer Project

In partnership with Teesside University and Innovate UK's Knowledge Transfer Partnership, Enginuity secured funding to research and develop a Strategic Workforce Development Planning Tool for employers within the sector.

To inform the development of a solution, Enginuity conducted a workforce planning survey amongst engineering and manufacturing employers, which concluded that businesses of all sizes are faced with the challenge of organisational development in the context of a changing environment.

Enginuity published 'Understanding Strategic Workforce Planning Needs in Engineering and Manufacturing: An Enginuity Report' in April 2024. The research found that, given the widening skills gap brought on by changes in policy, technology and the overall economic landscape, Strategic Workforce Development Planning is vital for engineering and manufacturing organisations of all sizes to remain competitive.

The survey highlighted a significant need for Strategic Workforce Planning (SWP) tools as businesses, particularly small employers, struggle to attract new talent, retain skilled colleagues, and build a workforce with a multifaceted and future-proofed skillset, and have little time to develop them themselves.

Based on these outputs, a SWP Framework was built, with several SMEs involved to ensure it was fit for purpose and to test the proof of concept. We are currently adapting the framework and tools into workable and deliverable sessions, which we plan to deliver across the sector in the near future.

Increasing Diversity by Breaking Down Barriers

The Enginuity team identified and developed projects to remove barriers to attracting and retaining untapped or under-utilised talent sources, with the goal of making the sector more attractive, and more accessible to a wider audience.

Witherslack Group Partnership

In collaboration with the Witherslack Group, a leading provider of SEND education, this initiative focused on breaking down barriers to STEM careers for young people with Special Educational Needs and Disabilities (SEND). Many individuals with SEND struggle to access clear pathways into engineering and manufacturing, due to limited resources and knowledge within employers, and a lack of tailored support. Enginuity is collaboratively developing inclusive career guidance and accessible resources to inspire and equip neurodiverse students for careers in STEM.

So far, the project has facilitated introductions between Witherslack and organisations such as Siemens, 3D 360, AMRC Cymru, Foothold and JJA Snack, with JJA offering factory visits and support. Enginuity is also exploring partnerships with the ADHD Foundation.

HM Prison and Probation Service

Enginuity is tackling the engineering and manufacturing skills gap in welding by building stronger links between prisons, education providers, and employers. Creating a pipeline from prison education to sustainable employment, this project supports individuals with the skills and certifications needed for their successful re-entry into the workforce. It also includes targeted outreach in women's prisons to help increase female representation in engineering and manufacturing roles.

Over the past year, Enginuity has begun laying the groundwork for a long-term partnership with the prison service to explore how best to develop engineering and manufacturing skills within the prison system. As part of these early efforts, we have helped facilitate the distribution of surplus copies of trade publications like The Manufacturer to both men's and women's prisons. This initiative aims to raise awareness of the industry, while also supporting literacy and educational engagement.

6. ACHIEVEMENTS AND PERFORMANCE

6.1 Enginuity performance in Numbers

7,000+ individuals across the engineering and manufacturing sector engaged with our charitable work and projects.

15 partners collaborating with Enginuity to deliver project impact.

2,566 apprenticeship certificates issued, representing new or upskilled talent.

33,000+ engagements with resources to inspire young people to consider a career in engineering.

Certification

Enginuity is a member of the Skills Federation (FISSS) and is trusted and approved to process apprenticeship registrations and certifications in the Apprenticeship Certification England (ACE), Apprenticeship Certification Wales (ACW) and Modern Apprenticeship Certification Scotland (MA Online) systems on behalf of the respective Governments. This is an important role, as Enginuity is responsible for ensuring that individuals have achieved the required qualifications and level of competence on which to receive their apprenticeship certification.

The ACE system closed for claims and certifications on 31 March 2025, following the closure to new registrations in 2020.

Certificates authorised 2024/25:

England (ACE)	476
Wales (ACW)	1,334
Scotland (MA Online)	756
Total:	**2,566**

Enginuity plays a key role in validating evidence for apprenticeship frameworks against the requirements of a full range of apprenticeships in engineering and manufacturing across England, Wales and Scotland. Only when Enginuity is satisfied that the requirements have been met, will a certificate be issued. During 2024/25, Enginuity was responsible for producing around 2,600 certificates, including reprints.

NOS and Apprenticeship Frameworks

National Occupational Standards (NOS)

Enginuity is responsible for maintaining and updating a range of around 2,500 National Occupational Standards used in Wales, Scotland and Northern Ireland, which form the basis for each country's technical qualifications suite. Additional NOS are added as required in response to industry demand.

Skills Development Scotland (SDS)

Enginuity was contracted by Skills Development Scotland to review the National Occupational Standards (NOS) for Semi-Conductor Manufacture to ensure they are fit for purpose for the sector.

A pilot took place in 2023/24 in which Enginuity participated to examine the alignment of NOS to Scottish Apprenticeship Standards (Work Situations). Enginuity took part in further pilot activity in 2024/25 to reformat and repackage NOS, looking for similarities and transferability across sectors and industries.

Enginuity recommended the need to rationalise the volume of NOS without losing high-quality content and important granular detail that informs qualifications and frameworks underpinned by NOS.

6.2 EAL performance

Excellence, Achievement and Learning Limited (EAL) has shown good performance in achieving its financial targets and in delivering its business plan objectives and transformation plan. It has continued to improve and expand its use of technology to support customers, including launching a new digital certification platform, Certify. This move allows EAL centres to shift to a secure digital-first certification approach.

Customer experience highlights

EAL works with 597 centres offering 258 qualifications, which is a portfolio of more regulated engineering qualifications than any other awarding organisation. During 2024/25, EAL registered 79,321 students and issued certificates to 61,545 students in recognition of their achievements. Registration volumes are similar to 2023/24 levels, whilst certification has decreased by around 3,000.

In EAL's continued drive for service excellence, the annual customer satisfaction survey, conducted independently by TLF Research, continues to provide invaluable insight into the journey to deliver the highest levels of service to customers. In 2024/25, EAL achieved their highest ever customer engagement rate for the annual EAL Customer Satisfaction Survey, with a 22% increase on responses from last year. EAL continue to have high levels of customer support with a healthy net promoter score of 42.3 and customer satisfaction of 82.7 (range -100 to +100).

EAL Achievements

Significant successes during 2024/25 include:

- Implementing a new EAL Certify digital certification platform, which transforms how EAL approved centres manage and issue certificates, to shift to a digital-first approach. Since its launch, more than 25,000 digital certificates have been issued.
- Winning the tender to deliver Building Services Engineering T Levels in partnership with WJEC/Eduqas.
- Securing a partnership with UKBIC to develop Level 2 and Level 3 Battery Qualifications, in support of the engineering and manufacturing sector.
- Establishing an EAL-led industry network.

Quality assurance, compliance, and governance

EAL continues to review its governance, quality, and compliance policies and processes to ensure they are fit-for-purpose within the current regulatory landscape. Over the past year, EAL has focused on strengthening regulatory reporting and compliance oversight, identifying areas for improvement, and ensuring that colleagues with the required competencies are leading these efforts. Specialist resources have driven positive changes in assessment quality and standards and will continue to do so in the coming year, streamlining processes and documentation.

Products and services

EAL fulfils an important role in support of Enginuity's charitable objectives by ensuring that employers and individuals have access to high quality technical qualifications and assessments. During the last year, EAL launched 20 new qualifications.

The Product Team continued to review and maintain its existing qualifications portfolio. Out of 54 qualifications reviewed, 28 have received important updates to ensure they remain valid and up to date for customers and learners.

EAL has also added 7new End Point Assessment (EPA) standards to its portfolio. Additionally, 12 new EAL "Approved" courses have been validated. EAL's EPA portfolio currently stands at 35 standards, with 61 versions available.

EAL continues to work with City & Guilds as the delivery partner for Generation 1 of the Engineering & Manufacturing and Construction & Building Services Engineering T Level technical qualifications, ensuring young people have access to another important entry pathway into the sector.

Following a competitive tendering process by IfATE, WJEC/Eduqas, in partnership with EAL, was awarded the contract to develop and deliver the next generation of T Levels in Building Services Engineering for Construction.

During 2024/25, EAL has continued to deliver strongly against its key performance measures and financial targets across both its awarding organisation and End Point Assessment services. Income has grown steadily year on year, despite wider economic challenges, though at a slower pace than originally anticipated in the vision.

Over the past three years, EAL has donated over £9 million to the charity. This funding has allowed Enginuity to be more ambitious in its impact and directly supports the various charitable activities to deliver solutions, increase diversity by breaking down barriers, drive collaboration and community within the sector, and shape policy and insight to advocate for the skills development needed to support engineering and manufacturing growth. These activities are featured above and in previous annual reports.

Future plans

EAL continues to make good progress against the objectives within its ten-year vision designed to elevate and expand the EAL business, and support Enginuity in the achievement of its charitable objects.

Specific milestones for 2025/26 will include:

- Being the leading awarding organisation and end point assessment organisation of choice for engineering, manufacturing and related industries, generating a growing surplus for the charity to invest in projects and activities support of the sector.
- Diversifying and growing revenue streams in line with the group's charitable objectives through opening wider channels to market
- Driving scalable efficiency and effectiveness by design in systems and operating models, with improved financial and data forecasting and long-term planning tools.
- Elevating and optimising EAL's profile, brand, and voice in the market as the kitemark of quality and industry engagement.
- Broadening the range and improving the quality of assessment services, to enable EAL to easily respond to policy changes across the four nations.
- Driving exceptional experience throughout internal/external customer journeys, to achieve a point of differentiation.
- Ensuring that EAL has the right structure and capability to meet our growth needs.
- Embedding our governance & CI framework in the business to deliver high levels of compliance, improvement, assurance, and quality.

6.3 Brand engagement

Enginuity

Enginuity continues to focus on cultivating its brand voice, including building social media engagement through the charity team, increasing page followers by 31%, and reaching on average 6,300 LinkedIn members per month. To create more impact and, particularly with SMEs, it is important that Enginuity raises its brand presence.

In October 2024, Enginuity launched a new website, which more clearly articulates Enginuity's purpose, activities and impacts. Since October 2024, the site has had more than 45,000 visitors.

In February 2025, Enginuity launched the Steph on Skills: Powered by Enginuity podcast hosted by presenter and journalist, Steph McGovern. The podcast aims to raise awareness of the skills gap in engineering and manufacturing, with each episode bringing insightful conversations with industry leaders, game-changers, and those shaping the skills landscape. Episode 1 of the podcast, released in February, received 32,908 impressions, 461 engagements, and 104 post link clicks across Instagram and LinkedIn. Episodes have addressed welding skills gaps, the challenges of being a female engineer and inspiring the future generations. Guests have included Ruth Amos from Kids Invent Stuff, Mel Stewart, an award-winning welder and Mike Reader MP.

Enginuity's renewed commitment to online, print and broadcast channels achieved an overall reach of 44.3 million. Paid social media, targeted to support skills solutions and activities including Future Skills Hub and the Steph on Skills podcast: powered by Enginuity, delivered positive results and contributed to website traffic.

PR coverage for the Enginuity Skills Awards resulted in media and online coverage with a total reach of over 5.2 million. Additional activities achieving significant reach included support for T Levels, apprenticeship awareness days in England, Scotland and Wales, the Alliance and the sponsorship of the Leeds Manufacturing Festival.

EAL

EAL focused on positioning itself as the specialist awarding organisation for the engineering and manufacturing sector, working with industry, educators, partners, and policymakers to deliver optimum products and services, and be a voice for learners and employers in this crucial sector in the net-zero transition.

EAL has invested in growing the audience for its own digital channels, with EAL hitting 5,000 followers for its LinkedIn page for the first time, an increase of just under 2,000 followers from January 2024. Investing in broader brand awareness through targeted thought leadership and media partnerships, has recorded a total reached of nearly 41m in 2024/25.

EAL's team of technical advisors has run 42 events and webinars in 2024/25, reaching more than 722 customers to support with product-related queries, curriculum design and raising awareness of EAL's optimum product offer in key sectors.

6.4 Our people achievements

Recruitment and Onboarding

As the organisation continued to grow through 2024/25, we supported the recruitment and onboarding of 63 new colleagues between 1 April 2024 and 31 March 2025. A strong focus was placed on ensuring a welcoming, inclusive and well-structured onboarding experience for every new starter.

Feedback from new joiners showed us that our approach was successful:

- 93% felt well informed about the onboarding process.
- 90% said their manager maintained regular contact prior to starting.
- 100% reported that the recruitment and onboarding process was inclusive and accessible.

We also played a key role in strengthening our governance by supporting the recruitment of a new Chair, Sir Jim McDonald and three new Board Trustees to complement and enhance the Enginuity Group Board.

Digital employee experience

This year also marked the successful launch of our new HR system, HiBob, significantly improving efficiency, reporting capability and the user experience for colleagues. As a result, we achieved a time-saving equivalent to 206 days across key people processes.

Key developments included the integration of the performance review process into HiBob, delivering greater clarity of objectives, more effective feedback mechanisms and an improved user experience, as well as a complete review and relaunch of our contractor hiring process, including the introduction of a new Contractor Management App, providing improved oversight and streamlined workflows.

Employee Engagement

We continued to prioritise listening to our colleagues and their feedback. Through the Hive employee engagement platform, we ran our annual survey alongside regular pulse checks. In the November 2024 pulse survey, 83% of employees responded and our engagement index score was 7.9. We achieved an employee Net Promoter Score of +31, reflecting a strong sense of advocacy among our workforce.

To further support collaboration and build a positive culture, we launched Social Connections, an initiative designed to help colleagues connect and build relationships across teams. We also celebrated together through a virtual festive event, recognising the achievements and contributions of our people throughout the year.

Reward and recognition

We continue to ensure we have a competitive reward and benefits offering and undertake regular reviews and benchmarking against the market to ensure pay and benefits are competitive. Ahead of a change of pension providers in 2025, we have consulted with colleagues to keep them informed of the change.

Take up of flexible benefits remain high in 2024/25, with 37% of colleagues buying additional annual leave and 98% part of our healthcare cash plan.

Health and Wellbeing

We continued to build on our wellbeing offering, with training 11 new Mental health first aiders in 2024/25. Our current mental health first aiders received refresher training. 17 Mental Health First Aiders are now in place to support our colleagues across the business.

In recognition of the economic challenges facing our colleagues around the "cost of living crisis", we partnered with Wealth at Work to offer financial management education workshops and ongoing support from a financial coach, supporting our colleagues with good financial wellbeing. 50% of our workforce attended and 60% requested follow-ups with a financial coach.

Learning and development

In 2024/25 we refreshed our Learning and Development strategy, to better support the wider organisation. We launched skills matrices to inform strategic workforce planning and learning across the group. More than 670 hours of learning has taken place across the organisation in 2024/5, supporting the continuous development of our colleagues' skills and ensuring the business has the skills now and for the future. Over 2,000 hours of Ihasco training has been completed, ensuring compliance to key policies and regulations.

Leadership development

30 of our people managers completed their 13-month Lead to Succeed journey and our second cohort of 14 managers commenced the programme with the following results:

- 100% of Cohort 1 said they have changed the way they lead and manage as a result of the programme.
- 100% said they feel their leadership skills have improved.
- 100% said they are more confident in leading their teams.

Diversity and Inclusion (D&I)

D&I continues to be a strategic pillar in our people strategy, and we strive to develop an inclusive culture where differences are valued. Having achieved Silver Accreditation in the Clear Assured global standard for diversity and inclusion, we are now well on our way towards Gold, with an aim to achieve this by the end of 2025/26.

In 2024/25 we have continued to drive our inclusion strategy through inclusive leadership training for managers as part of our 'Lead to Succeed' mandatory leadership programme, as well as a continued calendar of education and awareness for all colleagues, including an Allyship Webinar for all colleagues as part of Black History month.

Looking ahead

Our core areas of focus for 2025/26 include a refreshed approach to performance management, the launch of a values-based recognition scheme and the continuation of strategic workforce planning to ensure we have structures, skills and capabilities to ensure we are fit for the future.

7. FINANCIAL REVIEW

Our overarching strategic financial objective is to be a sustainable charitable group with a growing surplus that is invested in activities and a positive impact to the UK engineering sector. Our updated organisational strategy includes ambitious growth plans that deliver demonstrable impact to our sector. Underpinning that work, we continue to ensure that our organisation is fit for the future, with the right infrastructure and capabilities to fulfil our ambitions.

We are financed by the sector through EAL, our awarding organisation and, to a lesser extent, direct funding of our charitable products and services. Overall, we are in a strong financial position. EAL is an established business which makes a secure source of income and Enginuity has strong reserves built up through careful fiscal management.

Overall income for the group is 2% under budget at £15.1m; this is a 4% growth on the prior year of £14.5m, despite the economic environment. EAL margin is higher than the budgeted 10%, at 14%, as cost savings across shared services has more than negated the drop in income. In line with our long-term financial strategy to drive the percentage of shared services down, we have reduced costs in shared services wherever possible. Group expenditure of £16.1m is 12% below budget, mainly due to staff vacancies across the year and bought in services.

The operating deficit of £1.0m is before loss on investments of £0.3m. Taking this into account, the total decrease in funds for the group this year is £1.3m.

The group remains in a strong financial position with a closing reserve position of £36.8m, well above our maximum policy level of £27.5m, with a Board approved strategy to spend down £10m of reserves to deliver charitable impact over the next 3-5 years.

The key drivers of the financial result were:

- continued growth in EAL services
- income from bank interest and investments, and
- reduced expenditure in the year due to staff vacancies and strong cost control.

Investments saw an unrealised loss of £0.3m for the year ended 31 March 2025 (2023/24 unrealised gain of £3.1m). £4.0m of investments were liquidated in 2024/25, taking the investment portfolio to a value of £28.3m

EAL trading subsidiary produced a net surplus of £2.0m (2023/24 net surplus of £3.5m).

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

8. INVESTMENTS

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 cent per annum, after expenses. The last five years annualised performance is +7.9% after fees and expenses compared to CPI+3.5%: 8.4%.

Our investments were valued at £28.3m at the end of the financial year and these are solely managed by CCLA. The CCLA Good Investment approach is guided by three imperatives; 'Align with client values', 'Assess company fundamentals' and 'Act for change' by going beyond ethical restrictions to better work engagement themes, such as tackling modern slavery, mental health, and climate action. CCLA's ability to do good in the world extends far beyond the assets they manage by influencing the behaviour and policies of major companies and their employees.

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

Investment income generated is reinvested in the portfolio through an accumulated fund, rather than being paid to a nominated bank account. The overall value of the investment fund reduced by £4.3m, due to unrealised losses of £0.3m and the liquidation of £4m (2023/24 gain of £3.1m).

9. KEY RISKS AND UNCERTAINTIES DISCLOSURES

As with all organisations Enginuity Group is exposed to a cyber-attack. We use advanced email security to block phishing and malware, with alerts for quick action. Our network is protected by firewalls and monitored by Darktrace for real-time threats. We also provide regular security training, use cloud-based tools for instant alerts, and complete Cyber Essentials audits to ensure strong security measures.

The skills infrastructure is extremely fluid, leaving Enginuity and EAL potentially vulnerable to unfolding changes. Market volatility impacts delivery of business plans and financial targets, and the economic climate continues to exert financial pressure on stakeholders. The organisation is required to keep pace with changes in education policy and qualification reforms. Government skills requirements and policies are closely monitored to assess their potential impact on the market, as well as on our business plans and budgeting. We have established processes to identify additional funding opportunities and incentives. The potential effects of policy changes are regularly evaluated through scenario planning discussions at EAL Senior Leadership Team meetings. Additionally, our pipeline and income are monitored daily, with ongoing reviews of costs to ensure we operate efficiently and effectively.

Volatile inflation leads to a potential higher cost base, affecting our ability to maintain our pricing strategy. Interest rate fluctuation impacts the value and returns from investments. Any lack of appetite from the sector for commercial opportunities may impact income diversification. Enginuity has a long-term investment strategy in place, with quarterly monitoring by the Investment Committee. The Board of Enginuity Group has ultimate responsibility for overseeing the budget of the organisation. The Board approve annual business plan budgets and multi-year strategy and budget projections, monitoring progress against these and ensuring that the organisation is managing cash flow and reserves prudently. The budget holders are responsible for the business plans and budgets for their departments. They are accountable for spending and should ensure that they are fully aware of any variances to budget, being able to explain these variances as required.

Enginuity must meet the challenge of demonstrating how its work aligns to public benefit, and this will be addressed through the implementation of the 'Theory of Change' framework. All projects and charitable initiatives must align with the Theory of Change and the outcome framework. Business plans have been approved by the Board, and the annual report highlights significant activities. The Board has also approved a 10-year financial strategy aimed at investing 65% of charitable spending in charitable activities.

People challenges include a highly competitive recruitment market potentially affecting increased staff turnover and leading to difficulty in attracting new recruits. Enginuity conducts annual salary benchmarking and a continuous review of benefits to ensure that it remains competitive. A programme of strategic workforce planning is in place to address succession issues.

10. PLANS FOR FUTURE PERIODS

The Enginuity business plan for 2025/26 builds on the strong foundation and achievements recognised during 2024/25. Our plan builds on these successes and strengths.

Our aim is to continue to develop Enginuity's position as a sector connector, making a significant impact in closing the skills gap, advocating for SMEs, and becoming an organisation respected for its contributions to the engineering and manufacturing sectors. As an impact-driven, solution-agnostic organisation focused on macro-level issues, we hold a unique position in the field.

The plan for 2025/26 is structured around six core objectives: expanding our reach, delivering high-quality research and insights, championing SMEs, removing barriers, deepening partnerships and stakeholder relationships, and measuring impact. These principles will guide all activities in the coming year.

Expand our reach

Enginuity will increase the quantity and quality of engagement and reach, using the increased awareness of the charity to deliver on the problem statements and inform insight, policy consultation, solution delivery and development.

Deliver research and insight

We will build on the success of our Skills Framework to blend unique data with skills expertise to create actionable insight which is easily accessible for users, covering engineering and manufacturing. We plan to optimise technology to draw on more data sources and to generate our own unique employer data. During 2025/26 we will be launching an Engineering Skills Observatory.

Champion the SMEs

Through effective and mutually beneficial relationships and communication, Enginuity will further develop policy that is recognised as being the voice of, and for, the SME and supply chain. Work will begin this year to create a National Policy Centre for Supply Chain and SMEs to amplify our policy work and provide further support to the SMEs who are so critical to the sector but often overlooked by Government policy changes.

Remove barriers

Enginuity will identify and remove barriers to attracting and retaining untapped pockets of talent, making the sector more attractive and accessible to a more diverse, future-proofed workforce. Enginuity will increase its efforts to attract and retain untapped talent through Skills Accelerator projects. Working in partnership with education providers, employers, and community organisations, these initiatives will support under-represented groups

Partnerships and stakeholders

Enginuity will continue to focus on the strategic development of partnerships and collaborative working with industry, government and education and engage more widely to raise brand profile, supporting delivery of all objectives. Building on the success of its collaboration with Steph McGovern, Enginuity also aims to establish a group of Alliance Fellows; a group of recognisable individuals with engineering backgrounds or influence, who can purposefully use their celebrity to increase awareness of Enginuity's initiatives, help drive momentum and get them to act as sponsor for projects of interest.

Measure impact

We will continue to measure projects, funding initiatives, partnerships, and our wider societal impact using a Theory of Change model. This allows us to measure our outputs, outcomes, and our progress towards the delivery of a thriving and more productive engineering and manufacturing sector that benefits society.

11. RESERVES

The Board reviews its Reserves Policy on an annual basis. Taking a largely expenditure cover-based approach, our Reserves Policy is to hold enough funds to cover our pension liability, deferred income, operating expenditure, and closure costs. Enginuity has set a minimum level of reserves of £18m for 2024/25 and a maximum target level of reserves of £27.5m to allow for flexibility, whilst ensuring continuous operations and the delivery of business plans.

Any surplus over the reserves maximum target level is to be used to invest in charitable activities delivering impact to the sector. Free reserves at the end of 2024/25 were £36.8m, £9.3m over the required policy. The Board has approved the expenditure of £10m over the next five years as part of the long-term financial strategy. This funding will be used as working capital and seed funding to charity activities and initiatives positioning Enginuity as the sector connector, making increasing impact in closing the skills gap, giving voice to SMEs and becoming an organisation that is respected and recognised for its contribution to the engineering and manufacturing sector. Four big initiatives over the coming year are:

1. Establishing a National Policy Centre for the supply chain and SMEs.

2. Skills Accelerator by breaking down barriers to drive opportunities for groups in the minority.
3. Create Engineering Skills Commentary, data reports and insights.
4. Alliance of Fellows who can help increase impact and momentum.

Reserve 2024/25 minimum	**£'000**
Pension S75 debt provision	3,200
Deferred Income	4,533
Cover for 6 months expenditure*	9,459
Close down costs**	818
Total Reserves Policy	**18,010**
Reserve 2024/25 maximum	**£'000**
Pension S75 debt provision	3,200
Deferred Income	4,533
Cover for 12 months expenditure*	18,965
Close down costs**	818
Total Reserves Policy	**27,516**

*Based on the annual budget
** Calculated annually

12. GOING CONCERN

The trustees consider that there are no material uncertainties about Enginuity's ability to continue as a going concern. Enginuity Group has a 10-year financial strategy and has prepared an annual Group budget and forecast the outturn each quarter. The financial plan is to spend down up to £10m of reserves over the next few years but with a changing landscape within government policy and the funding of qualifications the organisation has adequate time built in to respond. Enginuity is a going concern with adequate cash and investments.

13. KEY MANAGEMENT PERSONNEL REMUNERATION POLICY

An annual benchmarking exercise is conducted which involves reviewing other organisations within the same/similar industries. Recommendations are then made to the Remuneration, Nominations and Pensions Committee, where a final decision is made as to the total reward and remuneration package.

14. PENSIONS LIABILITIES

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 other creditors 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. During 2023, the Trustees of ITB Pension Funds completed a buy-in of the Scheme.

The total cost to the company under both schemes for the year was £366,633 (2023/24: £316,232).

15. SUSTAINABILITY STATEMENT

Enginuity places sustainability at the heart of its charitable objectives, to deliver increased public benefit.

Engineers are needed at every step of the way in the journey to achieve net zero by 2050 in the UK. Data from Make UK reports that 98 per cent of manufacturers are aware of this target and 92 per cent believe it to be achievable within their own businesses, provided the right support is in place.

The engineering and manufacturing sector will be at the heart of the solution to the green skills demand by:

- advancing low-carbon energy solutions
- designing and producing zero emission vehicles, battery technology and sustainable fuels
- constructing greener buildings, retrofitting domestic properties and industrial facilities, and deploying carbon capture, usage, and storage solutions.

Enginuity supports sustainability goals by:

- creating occupational upskilling solutions that meet the needs of the green economy
- validating the need for green skills based on real demand data
- supporting the transition of engineers to greener skills, greener jobs, and greener industries.

Enginuity is committed to an investment in its people as part of an inclusive working environment. It aims to attract individuals from diverse backgrounds to help innovate on behalf of the sector and deliver its business plan.

The Enginuity group is committed to reducing its own impact on the planet through its use of digital technologies, reducing its travel and carbon footprint through remote working and by addressing its use of paper and print.

Enginuity is regulated by the Charity Commission and EAL is required to comply with the criteria of education regulators across the UK. Governance is overseen by an Audit Committee on behalf of the Group Board.

16. 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 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.

17. STATEMENT OF 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 in 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 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.

18. AUDITORS

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 17th September 2025 and signed on its behalf by:

Sir Jim McDonald GBE
Chair
Enginuity
Lytchett House, 13 Freeland Park
Wareham Road
Poole
Dorset, BH16 6FA

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 2025 which comprise Consolidated Statement of Financial Activities, Consolidated 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 group’s and the charitable company’s affairs as at 31 March 2025 and of the group’s 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 trustees' 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 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 group and 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 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 20, 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.

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. 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 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 the Companies Act 2006, Ofqual (England) and relevant taxation 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 grant and contract income as well as the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, internal audit, and the Audit Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, designing and performing audit procedures over the timing of grant and contract income, 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.

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
4th Floor
St James House
St James Square
Cheltenham, GL50 3PR

Date: 01 October 2025

Consolidated Statement of Financial Activities

	Notes	Restricted £000	Unrestricted £000	Total 2025 £000	Total 2024 £000
Income					
Other trading activities					
Income from trading subsidiaries	3b	-	14, 250	14,250	13,564
Investment income	7	-	417	417	349
Charitable activities					
Externally funded projects	3a	73	203	276	425
Other	3a	-	156	156	156
Total income		73	15,026	15,099	14,494
Expenditure on					
Raising funds					
Expenditure of trading subsidiaries	3b	-	12,418	12,418	10,385
Investment managers' fees		-	60	60	61
Total cost of raising funds		-	12,478	12,478	10,446
Charitable activities:					
Promoting & representing the sector		-	396	396	321
Digital skills solutions		-	558	558	1,925
Certification		-	624	624	580
Frameworks		-	155	155	-
Partnerships, policies & strategic engagement		73	1,771	1,844	862
Total charitable activities	6	73	3,504	3,577	3,688
Total expenditure		73	15,982	16,055	14,134
Net (expenditure) before losses on Investments		-	(956)	(956)	360
Net (losses) / gains on investments	10	-	(271)	(271)	3,092
Transfer between funds		-	-	-	-
Net movements in funds		-	(1,227)	(1,227)	3,452
Total funds brought forward	18	-	38,078	38,078	34,626
Total funds carried forward	18	-	36,851	36,851	38,078

All activities are continuing.

2024 restricted and unrestricted breakdown shown in note 25.

The notes on pages 30 to 43 form part of the accounts.

Consolidated Balance Sheet

Company Number: 02324869
Charity Number: 1000328

	Notes	2025 £'000	2024 £'000
FIXED ASSETS			
Tangible Fixed Assets	9	-	-
Investments	10	28,265	34,171
		28,265	34,171
CURRENT ASSETS			
Debtors	12	3,081	2,536
Bank and cash balances		11,601	7,539
		14,682	10,075
CURRENT LIABILITIES			
Creditors: Amounts falling due within one year	13	(4,948)	(5,031)
NET CURRENT ASSETS		9,734	5,044
TOTAL ASSETS LESS CURRENT LIABILITIES		37,999	39,215
CREDITORS: amounts falling due after one year	14	(1,148)	(1,137)
NET ASSETS	19	36,851	38,078
FUNDS AND RESERVES			
Unrestricted reserves	18	36,851	38,078

The financial statements were approved and authorised for issue by the Board on the 17th September 2025 and were signed below on its behalf by:

Sir Jim McDonald GBE
Chair

The notes on pages 30 to 43 form part of the accounts.

Charity Balance Sheet

Company Number: 02324869
Charity Number: 1000328

	Notes	**2025 £'000**	2024 £'000
FIXED ASSETS			
Fixed Assets	9	-	-
Investments	10	28,265	34,171
Investment in subsidiaries	11	50	50
		28,315	34,221
CURRENT ASSETS			
Debtors	12	2,940	4,193
Bank and cash balances		6,243	343
		9,183	4,536
CURRENT LIABILITIES			
CREDITORS: amounts falling due within one year	13	(859)	(936)
NET CURRENT ASSETS		8,324	3,600
TOTAL ASSETS		36,639	37,821
CREDITORS: amounts falling due after one year	14	-	-
NET ASSETS	19	36,639	37,821
FUNDS AND RESERVES			
Unrestricted funds	18	36,639	37,821

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 deficit £1,182k (2024: surplus £3,255k).

The financial statements were approved and authorised for issue by the Board on the 17th September 2025 and were signed below on its behalf by:

Sir Jim McDonald GBE
Chair

The notes on pages 30 to 43 form part of the accounts.

Consolidated Cash Flow Statement

Company Number: 02324869
Charity Number: 1000328

	Notes	2025	2024
	Notes	**£'000**	£'000
Cash (used by) operating activities	a)	(1,988)	(251)
Cash flows from investing activities			
Investment income/Interest received		417	349
Payments to acquire investments		-	(5,476)
Cash withdrawn from investments		1,450	500
Receipts from the sale of investments		4,183	5,303
Cash Provided by investing activities		6,050	676
Net increase in cash		4,062	425
Cash and cash equivalents at start of year		7,539	7,114
Cash and cash equivalents at end of year		11,601	7,539
Analysis of cash and cash equivalents			
Cash at bank and in hand		11,601	7,539

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

The notes on pages 30 to 43 form part of the accounts.

Consolidated Cash Flow Statement

		2025	2024
		£'000	£'000
a)	**Reconciliation of net incoming resources to net cash inflow from operating activities**		
	Net movement in funds	(1,226)	3452
	Investment income/ Interest	(417)	(349)
	(Decrease)/Increase in creditors	(72)	288
	(Increase) in debtors	(544)	(550)
	Net loss/(gain) on investments	271	(3,092)
	Net cash (used by) operating activities	(1,988)	(251)

		At beginning of the year	**Cash flows**	**Noncash movements**	**At end of the year**
		£'000	**£'000**	**£'000**	**£'000**
b)	**Analysis of changes in net debt**				
	Cash and cash equivalents	7,539	4,062	-	11,601

The notes on pages 30 to 43 form part of these accounts.

1. GENERAL INFORMATION

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

2. ACCOUNTING POLICIES

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

Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP 2nd Edition (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Enginuity meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes. All the expenditure incurred by the Enginuity group 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 a forecast for the parent company to the end of March 2026, a budget for EAL to March 2026 and a 10-year financial plan. The directors believe that the company's financial resources and contingency planning is sufficient to ensure the ability of the company to continue as a going concern for the foreseeable future, being at least twelve months from the date of approval of these financial statements and therefore have prepared the financial statements on a going concern basis.

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.

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.

All other awarding income included in EAL is recognised over the published average time taken to complete the individual qualifications.

EPA income is recognised when the assessment has been completed in line with contract with training centre.

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 for corporation tax.

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

Resources expended

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

Costs of raising funds are the costs incurred in attracting voluntary income and those costs 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.

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 to allocate the cost of assets less their residual value over their estimated useful lives, on a reducing balance basis.

Depreciation is provided on the following basis:

	Years
Office furniture	10
Equipment	3

Only assets with a cost of over £5,000 are capitalised. 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 2025. 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.

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.

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.

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.

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 other creditors 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 in applying accounting policies and key sources of estimation uncertainty

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

- *Provision for bad debt*
  To determine whether the bad debt provision is adequate, a judgement of each outstanding debt and the prospect of payment has been taken. The decision was based on the age of the debt and the historic payment profile of the debtor. It is considered that the current provision is sufficient to cover prospective bad debts.

3. INCOMING RESOURCES AND NET MOVEMENT IN FUNDS

a) Analysis of income

The majority of group activities are conducted in the United Kingdom.

Excellence Achievement & Learning Limited (EAL) conducted business with centres outside the UK totalling £55,306 in the year (2024: £65,142).

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 £276,019 in the year (2024: £424,128).

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 £155,851 in the year (2024: £156,675).

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

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, with the registered office addresses of both being the same as the parent charity:

- 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 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**	**2025 Total £'000**	2024 Total £'000
Income:				
Income	**14,250**	**-**	**14,250**	13,564
Investment income	**217**	**-**	**217**	171
Total Income:	**14,467**	**-**	**14,467**	13,735
Expenditure:				
Staff costs	**5,693**	**-**	**5,693**	4,530
Other operating charges	**6,725**	**-**	**6,725**	5,855
Total Expenditure:	**12,418**	**-**	**12,418**	10,385
Net surplus/(deficit)	**2,049**	**-**	**2,049**	3,350
Gift Aid to Enginuity	**(2,094)**	**-**	**(2,094)**	(3,150)
	(45)	**-**	**(45)**	200

4. STAFF COSTS

The Group staff costs are as follows:

	2025	2024
	£'000	£'000
Wages and salaries	**8,163**	6,739
Social security charges	**878**	729
Other pension costs	**367**	316
	9,408	7,784

During the year the group made termination payments of £114,357 (2024: £233,346)

The average monthly number of persons employed by the group during the year was as follows:	2025	2024
By the Group	**No.**	No.
Qualification awarding services/Charitable Activities	**116**	100
Support Services Staff	**46**	38
	162	138

Charity

The parent charity's staff costs are as follows:	2025	2024
	£'000	£'000
Wages and salaries	**3,214**	2,824
Social security charges	**364**	310
Other pension costs	**136**	120
	3,714	3,254

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

	2025	2024
	No.	No.
Charitable Activities Delivery Staff	**14**	15
Support Services Staff	**46**	38
	60	53

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:

	2025	2024
£60,001 - £70,000	**23**	22
£70,001 - £80,000	**4**	1
£80,001 - £90,000	**1**	4
£90,001 - £100,000	**2**	3
£100,001 - £110,000	**0**	1
£110,001 - £120,000	**1**	1
£120,001 - £130,000	**1**	0
£130,001 - £140,000	**1**	0
£150,001 - £160,000	**1**	0
£160,001 - £170,000	**0**	1
£180,001 - £190,000	**1**	1
£190,001 - £200,000	**0**	1
£260,001 - £270,000	**0**	1
£280,000 - £290,000	**1**	0
Total	**36**	35

The total of key management personnel compensation for the year was £ 1,024,380 (2024: £1,298,373).

Trustees' remuneration

During the year, in accordance with the Articles of Association of the charity, payments were made to the Chair totalling £47,666 (2024: £42,653). The total amount of expenditure reimbursed to three Board members in respect of expenses (travel, subsistence and accommodation) incurred on the charity's activities was £12,107 (2024: £2,400). No other trustees received any remuneration (2024: £Nil).

5. NET INCOMING RESOURCES

Net incoming resources are arrived at after charging the following:

	2025 £'000	2024 £'000
Auditor's remuneration		
- Audit services	**27**	26
- Tax compliance services	**7**	7
- Other non-audit services	**7**	5

Auditors' remuneration includes £10,850 in respect of the audit of the parent charity (2024: £5,120) and £16,000 in respect of the audit of the subsidiary undertakings (2024: £20,480). Fees in relation to non-audit services were £6,675 (2024: £4,865).

6. EXPENDITURE ON CHARITABLE ACTIVITIES

	Staff No's	Direct costs £'000	Support costs £'000	2025 Total costs £'000
Promoting the sector (Skills Awards)	**1**	240	156	**396**
Digital Skills Solutions	**2**	248	310	**558**
Certification	**3**	159	465	**624**
Frameworks	**1**	-	155	**155**
Partnerships, policies & strategic engagement	**7**	758	1,086	**1,844**
	14	1,405	2,172	**3,577**

	Staff No's	Direct costs £'000	Support costs £'000	2024 Total costs £'000
Promoting the sector (Skills Awards)	**1**	171	150	**321**
Digital Skills Solutions	**8**	724	1,201	**1,925**
Certification	**3**	130	450	**580**
Framework	**-**	-	-	**-**
Partnerships, policies & strategic engagement	**3**	411	451	**862**
	15	1,436	2,252	**3,688**

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 £104,988 (2024: £58,164) for the period. Governance costs consist of Chair's remuneration, group's audit fees, and expenses reimbursed to Board members in respect of expenses incurred on the charity's activities.

7. INVESTMENT INCOME

	2025 £'000	2024 £'000
Interest from fixed asset investments	**417**	349
	417	349

8. TAXATION

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

9. FIXED ASSETS

	Equipment £'000	Total £'000
Group and Charity		
Cost		
At 1 April 2024	227	**227**
Disposal	(227)	**(227)**
At 31 March 2025	-	**-**
Depreciation		
At 1 April 2024	227	**227**
Disposal	(227)	**(227)**
Charge in year	-	**-**
At 31 March 2025	-	**-**
Net Book Value		
At 31 March 2025	-	**-**
At 31 March 2024	-	**-**

10. FIXED ASSET INVESTMENTS

	2025	2024
Group and Charity	**£'000**	£'000
Balance 1 April 2024	**32,536**	29,271
Additions	**-**	5,476
Disposals	**(4,000)**	(5,303)
Net (Loss)/Gain on revaluation	**(271)**	3,092
	28,265	32,536
Cash awaiting investment	**-**	1,635
Balance at 31 March 2025 at Market Value	**28,265**	34,171
Historical cost of Investments	**25,435**	31,047

	2025	2024
	£'000	£000
COIF Charities investment fund unit	**25,103**	32,536
COIF Deposit fund	**3,162**	1,635

11. INVESTMENTS IN SUBSIDIARIES

	2025	2024
	£'000	£'000
Charity		
Shares at cost	**50**	50
	50	50

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 partners within the engineering sector.

The registered office of all of the above subsidiaries is Lytchett House, 13 Freeland Park, Wareham Road, Poole, Dorset, BH16 6FA.

12. DEBTORS

	Group 2025 £'000	Group 2024 £'000	Charity 2025 £'000	Charity 2024 £'000
Amounts falling due within one year				
Trade debtors	**1,451**	1,914	**47**	197
Amounts owed by subsidiary undertakings	**-**	-	**2,604**	3,691
Other debtors	**5**	17	**-**	-
Prepayments	**575**	579	**268**	298
Accrued income	**1,050**	26	**21**	7
	3,081	2,536	**2,940**	4,193

Bad debt recognised for the group during the year as an increase in expense was £200,542 (2024: £27,380 reductions).

13. CREDITORS: amounts falling due within one year

	Group 2025 £'000	Group 2024 £'000	Charity 2025 £'000	Charity 2024 £'000
Trade creditors	**398**	522	**195**	277
Taxation and social security	**405**	340	**275**	227
Other creditors	**24**	85	**2**	69
Accruals	**663**	493	**314**	236
Deferred income	**3,458**	3,591	**73**	127
	4,948	5,031	**859**	936

14. CREDITORS: amounts falling due after one year

	Group 2025 £'000	Group 2024 £'000	Charity 2025 £'000	Charity 2024 £'000
Deferred Income	**1,148**	1,137	**-**	-
	1,148	1,137	**-**	-

15. DEFERRED INCOME

	Group 2025 £'000	Group 2024 £'000	Charity 2025 £'000	Charity 2024 £'000
Balance at 1 April	4,728	4,667	127	163
Amount released to income	(195)	(163)	(127)	(163)
Amount deferred in the period	73	224	73	127
Balance at 31 March	4,606	4,728	73	127

Charity Deferred income of £73k (2024: £127k) relates to externally funded projects, both from customers within and outside of UK, with deliverables within 1 year.

16. FINANCE LEASE AGREEMENTS

The group has no finance leases outstanding

17. OBLIGATIONS UNDER OPERATING LEASE AGREEMENTS

At 31 March 2025 the group has no future minimum lease commitments:

	2025	2024
	£'000	£'000
Expiry date		
Less than one year	-	1
One to five years	-	-
	-	1

18. FUNDS AND RESERVES

Group	Restricted funds	Unrestricted funds	**Total funds**	Total Funds
	2025	2025	**2025**	2024
	£'000	£'000	**£'000**	£'000
At 1 April	-	38,078	38,078	34,626
Gains/(losses) on Investments	-	(271)	(271)	3,092
Income Received	73	15,026	15,099	14,494
Expenditure	(73)	(15,982)	(16,055)	(14,134)
Transfer between funds	-	-	-	-
	-	36,851	36,851	38,078

Charity	Restricted funds	Unrestricted funds	**Total funds**	Total Funds
	2025	2025	**2025**	2024
	£'000	£'000	**£'000**	£'000
At 1 April	-	37,821	37,821	34,566
(Losses)/Gains on Investments	-	(271)	(271)	3,092
Income Received	73	2,653	2,726	3,909
Expenditure	(73)	(3,564)	(3,637)	(3,746)
Transfer between funds	-	-	-	-
	-	36,639	36,639	37,821

19. NET ASSETS/(LIABILITIES)

	Group		**Charity**	
	Unrestricted funds	Unrestricted funds	**Unrestricted funds**	Unrestricted funds
	2025	2024	**2025**	2024
	£'000	£'000	**£'000**	£'000
Investments	28,265	34,171	28,315	34,221
Current assets	14,682	10,075	9,183	4,536
Current liabilities	(4,948)	(5,031)	(859)	(936)
Non-current liabilities	(1,148)	(1,137)	-	-
	36,851	38,078	36,639	37,821

20. FINANCIAL ASSETS AND LIABILITIES

	2025	2024
	£'000	£'000
Group Financial assets measured at fair value through profit or loss	**25,103**	32,536

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

21. 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.

22. 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 following trustees and management have associations with:

	Income		**Expenditure**		**Related Trustee/ Board Member**	**As**
Company	**2025**	**2024**	**2025**	**2024**		
Burton and South Derbyshire College	6,463	6,321	-	-	John Beatty	Employed
Sandwell College	9,883	1,090	-	-	John Beatty	Wife HR Directors
Derwent Training Association	50,394	24,513	-	-	Ann Watson	Charity Trustee
Make UK	12,332	12,012	12,741	16,753	Ann Watson	Director
EBS Automation	-	2,970	-	-	Michael Evan	Director
Lincoln College	8,405	14,602	-	-	Paul Birt	Charity Trustee
National Physical Laboratory	10,672	790	-	-	Vicki Saward	Director
Rolls Royce plc	16,812	16,544	-	-	Sarah Sandle Alexia Williams	Employed Employed
Siemans plc	160,761	152,656	-	-	Paul Birt Rachel Wilson	Employed Employed
The Engineering Trust Limited	-	15,441	-	-	Jonathan Bolton	Charity Trustee
University of Strathclyde	1,140	1,363	-	-	Professor Sir Jim McDonald	Employed
World Skills UK	291	292	17,000	-	Rachel Wilson	Director
Federation of Awarding Bodies	-	-	15,910	6,872	Al Parkes	Director
My Accountancy People Limited	-	-		4,500	John Stuart Anthony Frazer	Director
	277,153	248,594	45,651	28,125		

	Debtor		Creditor		Related Trustee/ Board Member	As
Company	2025	2024	2025	2024		
Burton and South Derbyshire College	-	-	-	-	John Beatty	Employed
Sandwell College	-	-	-	-	John Beatty	Wife HR Directors
Derwent Training Association	4,028	14	-	-	Ann Watson	Charity Trustee
Make UK	-	-	621	1,800	Ann Watson	Director
EBS Automation	-	-	-	-	Michael Evan	Director
Lincoln College	1,495	3,310	-	-	Paul Birt	Charity Trustee
National Physical Laboratory	7,687	-	-	-	Vicki Saward	Director
Rolls Royce plc	-	-	-	-	Sarah Sandle Alexia Williams	Employed Employed
Siemans plc	24,064	34,834	-	-	Paul Birt Rachel Wilson	Employed Employed
The Engineering Trust Limited	19,822	-	-	-	Jonathan Bolton	Charity Trustee
University of Strathclyde	-	-	-	-	Professor Sir Jim McDonald	Employed
World Skills UK	-	350	-	-	Rachel Wilson	Director
Federation of Awarding Bodies	-	-	2,126	680	Al Parkes	Director
My Accountancy People Limited	-	-		-	John Stuart Anthony Frazer	Director
	57,096	38,508	2,747	2,480		

24. 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.

EAL 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, EAL 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 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 £366,633 (2024: £316,232).

25. 2024 STATEMENT OF FINANCIAL ACTIVITIES

2024		Restricted £000	Unrestricted £000	Total £000
Income				
Other trading activities				
Income from trading subsidiaries		-	13,564	13,564
Investment income		-	349	349
Charitable activities				
Externally funded projects		122	303	425
Other		-	156	156
Total income		122	14,372	14,494
Expenditure on				
Raising funds				
Expenditure of trading subsidiaries		-	10,385	10,385
Investment managers' fees		-	61	61
Total cost of raising funds		-	10,446	10,446
Charitable activities:				
Promoting & representing the sector		-	321	321
Digital skills solutions		-	1,925	1,925
Certification		-	580	580
Frameworks		-	-	-
Partnerships, policies & strategic engagement		133	729	862
Skills Miner		-	-	-
Total charitable activities	7	133	3,555	3,688
Total expenditure		133	14,001	14,134
Net (expenditure) / Income		(11)	371	360
Net gains/(losses) on	11	-	3,092	3,092
Transfers between funds		11	(11)	-
Net movements in funds		-	3,452	3,452
Total funds brought forward	20	-	34,626	34,626
Total funds carried forward	20	-	38,078	38,078