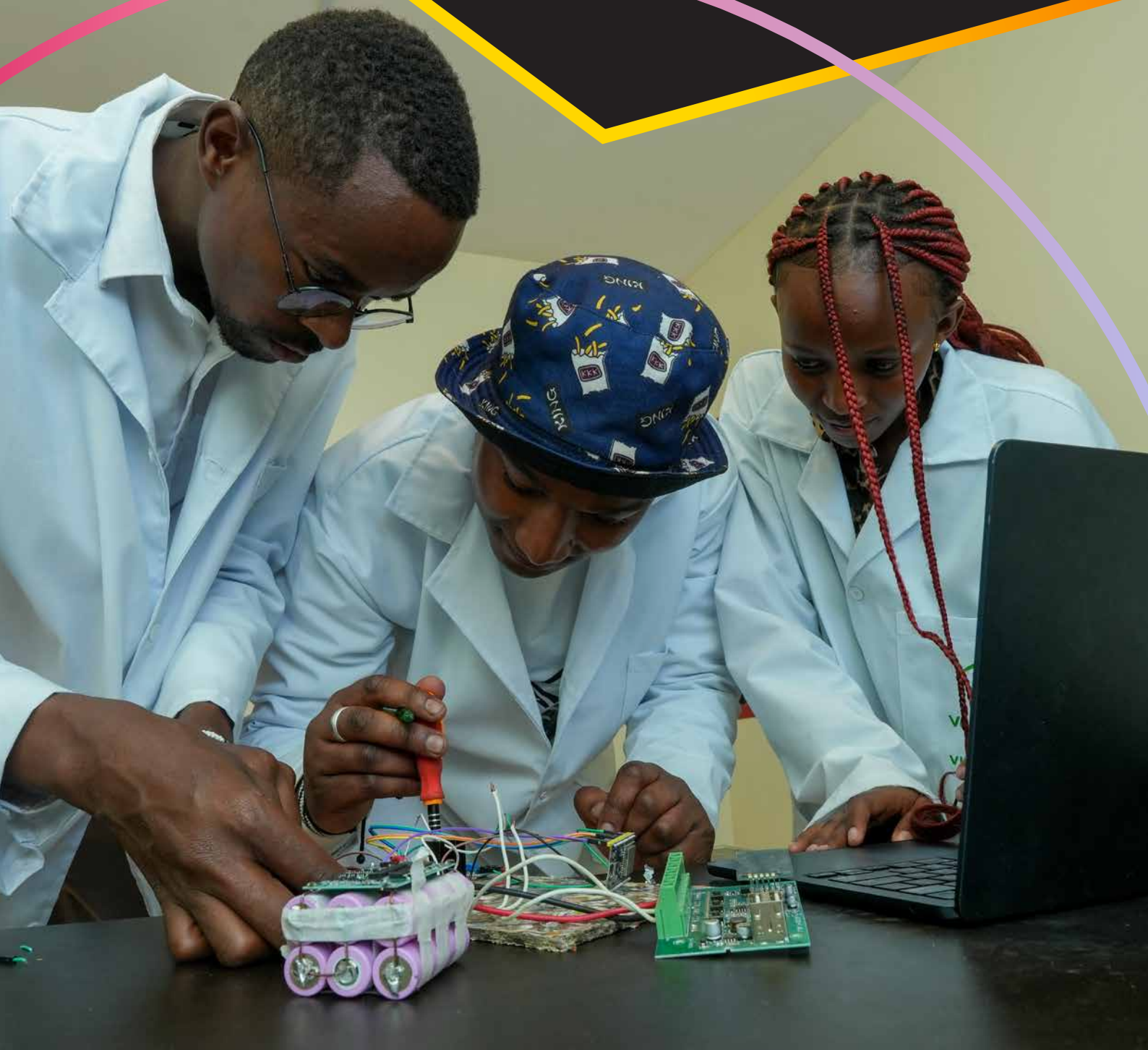
Royal Academy of Engineering

Annual report and accounts

2025/26



Who are we?

A CHARITY

We deliver public benefit from engineering excellence and technology innovation.

A NATIONAL ACADEMY

We provide progressive leadership for engineering and technology, and independent expert advice to government, in the UK and beyond.

A FELLOWSHIP

We bring together an unrivalled community of leading businesspeople, entrepreneurs, innovators and academics from every part of engineering and technology.

OUR VISION

is engineering and technology in the service of society.

OUR CHARITABLE MISSION

is to deliver public benefit through engineering excellence and technology innovation.

Values

In everything we do, we are guided by our five values:

PROGRESSIVE LEADERSHIP

Embody the courage and commitment to drive positive change for engineering and society.

EQUITY, DIVERSITY AND INCLUSION

Create a culture where everyone feels valued, and can thrive and strive for excellence.

EXCELLENCE FOR IMPACT

Instil a mindset where evidence, expertise, integrity and passion deliver meaningful impact.

COLLABORATION FIRST

Work in collaboration and partnership with our community and stakeholders to improve outcomes.

CREATIVITY AND INNOVATION

Pursue opportunities to think differently, try novel approaches and test new ideas.

Royal Academy of Engineering Incorporated by Royal Charter

HM King Charles III OM KSO
Patron

HRH The Princess Royal KG KT GCVO QSO
Royal Fellow

HRH The Duke of Kent KG GCMG GCVO
Royal Fellow

Sir John Lazar CBE FREng
President

HRH The Prince Philip Duke of Edinburgh KG KT OM GBE
Late Founding Senior Fellow

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Front cover photo:
Engineers from Kenya-based Vermi-Farm Initiative, which has been shortlisted for the 2026 Africa Prize for Engineering Innovation

Acknowledgement: Our work is enabled by funding from the Department for Science, Innovation and Technology, corporate and university partners, charitable trusts and foundations, and individual donors.

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Forewords

This annual report marks the end of another financial year, but it marks a new beginning for me. I joined the Academy as CEO towards the end of the period and am grateful to my predecessor Dame Hayaatun Sillem DBE for her excellent leadership of the Academy, on which I have the privilege to build. I am delighted to have this opportunity to lead an organisation and support a Fellowship that is committed to using engineering to improve lives, strengthen society and support sustainable economic growth.

I was drawn to the Academy because my previous career in government showed me that solutions to most of today's policy challenges are to be found in engineering and technology. As the daughter of a Fellow, and an alumnus of the Academy's Policy Fellowships programme, I also know how much integrity and energy the Academy applies to delivering public benefit, and how well aligned the Academy's values are to my own. Throughout this annual report, you will read the impact of our work through planned programmes of activity and agile responses to emerging societal need.

As we move forward into our second year of strategy 2030, my priorities include strengthening our support for and engagement with policymakers; raising our public profile through celebration of our 50th anniversary; scaling up our impact outside London through our Enterprise Hubs and supporting communities of Fellows to make impact in their locations throughout the UK; implementing the outcomes of the governance review; and shaping and delivering a digital transformation programme.

At the Academy, we believe in the power of engineering to improve lives and expand opportunity in the UK and globally. The challenges ahead are significant, but so is our ambition. I'm excited to work with the committed and professional Academy staff, and our extraordinary Fellows and awardee communities to make a positive impact through engineering excellence.



Dame Tamara Finkelstein DCB
CEO, Royal Academy of Engineering



Sir John Lazar CBE FREng
President, Royal Academy of Engineering

This past year has been a year of change for the Academy. At the end of 2025, CEO Dame Hayaatun Sillem DBE and COO Chris Boyle both stepped down from their roles. They both achieved so much over their time at the Academy and have truly helped transform it into what it is today: a champion of engineering and technology in the service of society.

I've been delighted to welcome Dame Tamara Finkelstein and Cecilia Harvey, as CEO and COO respectively, to the Academy – and look forward to continuing work with them to fulfil our mission to engineer better lives for all.

In its first year, we have made good progress against the objectives in our strategy to 2030. Our focus on place has seen us launch two new regional Hubs in Liverpool and Sheffield, where we will support local engineering and technology entrepreneurs, as well as, through Engineering X, a first-of-its-kind hub in Colombia to support the country through a safe and sustainable energy transition.

In line with our newest goal, Technology improving lives, our contributions on the vital but enormously complex topic of AI have been rooted in communities and end users. Our People's AI Stewardship Summits brought together a diverse range of voices to explore where AI can have the most value. We also introduced our Practical AI series, which shares experiences of practically applying different types of AI for public benefit, and what we can learn from that.

Elsewhere, we announced our first cohort of Green Future Fellowships, awarding significant funding to leading engineering innovators who are developing real-world solutions to critical climate challenges. This novel scheme will provide innovators with support over 10 years.

With a new strategy comes the important work of making sure we are fit to deliver against it. To this end, we have spent the year reviewing our governance structure, with changes coming into effect after our 2026 AGM. These changes will reduce complexity, as well as elevating accountability for two strategically important and cross-cutting areas of our work – equity, diversity and inclusion, and international.

Looking forward, 2026-27 will see us celebrate the Academy's 50th anniversary. Our Academy was founded – as the Fellowship of Engineering – on 11 June 1976 by 130 of the UK's leading engineers, with the support of our late Senior Fellow, HRH The Prince Philip, Duke of Edinburgh.

The objectives of the early Fellowship were strikingly similar to the goals of our current strategy. The difference now is the scale and scope of our work.

I am proud to lead an Academy that has truly fulfilled its early promise to champion and support excellence in engineering. But the next 50 years will bring global challenges that are bigger, more complex and more urgent than ever. We must tackle that opportunity with vigour and agency.



Our impact – nationally, globally, regionally

We take a place-based approach to delivering our goals, with our flagship products and activities responding to national, regional and global needs in a variety of ways.



GLASGOW In November, over 150 Academy awardees, Fellows and alumni gathered in Glasgow for the second annual Awardee Excellence Community Conference to network, collaborate and discuss engineering's future, with sessions reflecting the Academy s new strategy. Highlights included the largest Academy unconference, with 90 delegates in a two-hour session, and a dialogue on the Engineers 2030 Vision and Principles.



BARNSLEY Following the announcement that Barnsley will become the UK's first government backed Tech Town, we hosted a Practical AI workshop to support Barnsley Council, in partnership with the Cabinet Office s Test, Learn and Grow team, to explore what is needed to apply AI meaningfully in public services.

LIVERPOOL Innovation Late – our annual public engagement event as part of National Engineering Day celebrations – took place outside of London for the first time. We welcomed 119 attendees, of which 81% were not engineers, to discover emerging technologies and engineering-themed immersive experiences. 90% of attendees said they were very likely to recommend it and 82% said it changed their opinion of engineering.



BELFAST On National Engineering Day, over 70 13- and 14-year olds joined our *This is Engineering: Schools – Northern Ireland* programme for a day of interactive activities and talks, hosted by W5 science centre in Belfast.

LIVERPOOL AND SHEFFIELD
We launched regional Enterprise Hubs in both Liverpool and Sheffield to support local engineering and technology entrepreneurs, boosting investment and growing businesses in the areas.

BOSTON, LINCOLNSHIRE
We have held two people s panels to inform our policy work on climate adaptation, hearing about people s lived experience of the impacts of high heat, and will follow up with discussions on the impact of flooding.

WELSH VALLEYS A launch event for our *This is Engineering: Schools – Welsh Valleys* programme, to welcome schools from Caerphilly to the programme, was hosted at Panasonic Manufacturing UK. It brought together 166 attendees, including 76 pupils from 15 Caerphilly schools and representatives from 23 organisations, and opened with a keynote speech from Rebecca Evans MS, Welsh Assembly Cabinet Secretary for Economy, Energy and Planning.



LONDON AND SWANSEA We hosted the final two People s AI Stewardship Summits in London and Swansea, bringing together innovators, researchers, entrepreneurs, and policymakers with local community members to explore hopes and expectations for safe and responsible AI.





CALIFORNIA Enterprise Hub members visited San Francisco as part of an EXPLORE mission to meet with decision-makers from some of the world's largest companies and investors in Silicon Valley. They were accompanied by a delegation from the Queen Elizabeth Prize for Engineering, including Academy President Sir John Lazar CBE FREng, former CEO Dame Hayaatun Sillem DBE and Science Minister Lord Patrick Vallance KCB FRS HonFREng FMedSci, who attended a reception for the 2025 QEPrize Laureates at NVIDIA's headquarters in Santa Clara.



COLOMBIA Engineering X worked with over 150 stakeholders to launch a first-of-its-kind hub to accelerate Colombia's safe and sustainable energy transition. InterNodos aims to strengthen collaboration, innovation and coordinated action across Colombia's energy sector.

IRELAND We co-published the first *Engineering economy and place Ireland* report with the Irish Academy of Engineering, which found that engineering employs nearly a third of Ireland's workforce, with over a fifth of those employed in a role focused on research, development or evaluation activities.

PARIS AND CHINA As part of our work building international partnerships, we made two working visits to the National Academy of Technologies of France in Paris to exchange insights on electricity grid flexibility and stability. We also organised for two delegations to visit China for exchanges on renewable energy, first with the British Embassy Beijing's Global Partnership Fund and second with the Chinese Academy of Engineering and China Triumph International Engineering Cooperation.

AFRICA Launched on UNESCO's World Engineering Day in March 2025, our *Engineers for Africa* report, which explores engineering capacity building in sub-Saharan Africa, has received positive engagement from several African governments and made the front page of a Nigerian newspaper.



KENYA We hosted a Green Skills Symposium in Kenya on accelerating the green transition, in partnership with the UN Environment Programme, Alliance for Greening Skills and Opportunities Kenya, Jacob's Ladder Africa, and the Royal Society. It was attended by 68 participants from 31 nationalities and resulted in several seed funding grants to explore and develop ideas they generated.



INDIA A campaign to increase applications from women to the Leaders in Innovation Fellowships (LIF) Advance programme in India raised awareness online and quadrupled the total number of applicants to the programme. From a total of 98 applicants, a quarter were from women: four women went on to successfully secure a place on the programme (along with eight men).

NEPAL, JAPAN, THAILAND Our Frontiers programme hosted symposia in Thailand, Nepal and Japan. They brought together hundreds of delegates from over 16 countries, working in diverse disciplines and sectors, to find solutions to pressing global challenges in areas including the circular economy, assistive technology, and responsible, efficient and sustainable AI.





Sustainable and innovative economy

The Academy's programmes and initiatives are designed to deliver engineering and technological solutions, alongside evidence-based policies, that foster a more sustainable, resilient, healthy, secure, and prosperous society.

Our ongoing efforts deliver impact nationally, and globally. We aim to enhance UK productivity, increase the availability of growth capital, and address regional inequalities. We also work to accelerate progress towards ambitious sustainability targets and support those most affected by global challenges.

Policy advice for a sustainable and resilient future

Over the past year, the National Engineering Policy Centre (NEPC) has engaged widely with policymakers and partners on pressing issues affecting sustainability and resilience. In December, we launched *Reviving our ageing infrastructure*, a report led by the Academy, in collaboration with the Institution of Civil Engineers, Chartered Institution of Highways & Transportation, Institute of Highway Engineers, Institution of Mechanical Engineers, Institution of Structural Engineers, Institute of Water, Permanent Way Institute, and Institute of Asset Management. It urged government to prioritise, invest in and reform the management of the UK's ageing infrastructure, highlighting how climate change and extreme weather events are stressing structures like roads, bridges, water systems, and flood defences.

Attendees at the Frontiers symposium in Thailand.

The report was launched at the Houses of Parliament at the All-Party Parliamentary Group on Infrastructure, which was attended by a range of stakeholders including several MPs. Since then, we have continued to engage with key government stakeholders, including follow-up discussions with Ministers from the Department for Environment, Food & Rural Affairs (Defra) and the Department for Transport, as well as the Shadow Transport Secretary. We have also presented our research to National Highways and the Office of Rail and Road and are contributing to a related review led by His Majesty's Treasury. Devolved administrations have also been engaged, with our advice feeding into the Northern Ireland Road Maintenance Strategy and the Scottish Infrastructure Strategy. **The report received valuable media coverage, including a *Today* programme interview with Dr Steve Denton FREng, Academy Vice President and Chair of the working group, with further coverage on BBC Radio 2, 5Live, local BBC radio stations, and RAIL magazine.**

Following the publication of *Engineering responsible AI* in early 2025, which described the environmental impacts of AI systems and services, we have been engaging extensively with stakeholders across government, alongside our partners, the Institution for Engineering and Technology and BCS, the Chartered Institute for IT. In May we co-hosted a roundtable with the Department for Science, Innovation and Technology (DSIT)



(Left to right) Mike Reader MP, chair of the All-Party Parliamentary Group on Infrastructure; Julie Wood, Senior Vice President of the Institution of Civil Engineers; and Dr Steve Denton FREng, Executive Director and Head of Civil Engineering at WSP as well as Chair of the working group and Academy Vice President, at the *Reviving our ageing infrastructure* report launch.

to inform their efforts to establish AI Growth Zones. **We helped the Government Digital Sustainability Alliance to develop guidance on sustainable procurement and use of AI systems for the AI Knowledge Hub.** We have also been supporting the AI Energy Council, chaired by DSIT and the Department for Energy Security and Net Zero Secretaries of State, as co-secretariat of the Council's Sustainability Working Group

Supporting a greener future

At the end of 2025, we announced our first-ever Green Future Fellowship (GFF) awardees, who are working towards scaling ambitious ideas into commercially viable technologies that can make a lasting impact on the climate crisis. Funded by a £150 million, long-term investment from DSIT, 13 engineering innovators received £3 million each to develop solutions including storing renewable energy in ammonia, nanoengineered lightweight batteries to power electric planes and a new type of computer memory that doesn't generate heat. A new Accelerated International Route (GFF AIR) was introduced in the summer to enable international researchers to access the programme more quickly, strengthening global engagement and expanding the Academy's reach.

International partnerships

In 2025, we made two working visits to the National Academy of Technologies of France (NATF) to exchange insights on electricity grid flexibility and stability. Following a visit in January with a delegation of UK experts, we returned in October with four cross-party Members of Parliament from the House of Commons' Energy Security and Net Zero Committee. Having heard about the January visit, the committee felt a similar visit could feed into current inquiries on the cost of energy and building support for the energy transition. **The visit helped equip the MPs to scrutinise UK government energy policy, as well as contributing to scoping work for the Academy's Clean Power Advisory programme.**

In October, we co-organised two back-to-back UK–China exchanges on renewable energy. The first exchange followed a successful bid from the British Embassy Beijing's Global Partnership Fund and was co-led by Professor Deborah Greaves OBE FREng and Professor Susan Gourvenec FREng. It focused on two key aspects of the sustainability of offshore wind, in response to growing urgency to ensure that renewable energy sources are scaled responsibly. A China End-of-Life network is launching to continue this work. Later in the month, Professor Ravi Silva CBE FREng led a UK delegation for a UK–China Built Environment Exchange with the Chinese Academy of Engineering and China Triumph International Engineering Cooperation. The exchange focused on building-integrated photovoltaics and advanced materials.

In July, the 20th regular session of the African ministerial conference on the environment (AMCEN) in Nairobi, Kenya, officially endorsed a new regional roadmap for transformative action on the open burning of waste in Africa. **The revised roadmap is based on inputs from a consultative workshop in Nairobi, hosted by Engineering X in April, to end the open burning of waste in Africa by 2040 and achieve a reduction of 60% by 2030**. The workshop was hosted with our partners Practical Action, and the United Nations Human Settlements Programme (UN-Habitat). It was funded by UNEP's Climate and Clean Air Coalition. The workshop brought together experts from 12 African countries, from local, regional, and national governments, development banks, NGOs, universities, United Nations bodies, and more. Together, we helped to set milestones and actions for the next 15 years and raise awareness of waste as a major environmental and public health challenge.

The Africa Prize:

165
businesses supported

22
countries of origin

40k+
people employed by the businesses involved

11m+
people benefitting from alumni's innovative products and services



Investing in global innovation

In October, Elly Savatia of Kenya won the 2025 Africa Prize for Engineering Innovation for an AI-powered sign language translation app. The final, held in Dakar – the first time the prize has been hosted in Senegal – saw Elly pitch Terp 360, which uses lifelike 3D avatars and was developed with people who are deaf or hard of hearing.

Terp 360 draws on a growing dataset of more than 2,300 locally recorded signs to ensure cultural relevance and natural expression. An award of £50,000 will develop the app, with plans to expand with a focus on the education, corporate, and healthcare sectors.

"I'm totally grateful for this and it is a testament to the innovative assistive technology work that is coming from Africa."

Elly Savatia, creator of Terp 360

Driving growth

Engineering and technology entrepreneurs can provide the solutions to our most complex economic and social challenges – and this is what drives the Academy to support engineers to start and grow companies, driving jobs, growth, productivity, and advances in areas such as sustainability, health and resilience.

In 2026, **the Enterprise Hub was named the leading startup hub in the UK by the *Financial Times*, Statista and Sifted**, marking the third consecutive year that the Hub has appeared in the rankings. It also climbed to number 11 out of 180 hubs across Europe. Securing the top spot is a well-deserved milestone for the Hub and the founders it supports across the UK. It reflects the strength of the Hub community and the dedication of Fellows, mentors, partners, and team.

In November 2025, we published our annual *State of UK Deep Tech* report – a comprehensive review of the UK deep-tech sector. It identified the UK as the third-largest deep-tech hub globally. It found that **since 2019, the UK has attracted $43.7 billion in investment and reached a $155 billion ecosystem valuation**, with more than 50 UK deep-tech companies having now surpassed $1 billion in valuation or $100 million in revenue. Deep tech represents 31% of all UK venture funding, and spinouts make up 34% of all deep-tech startups. Fields such as biotech, medical devices, quantum and AI continue to accelerate, with AI alone accounting for 39% of UK deep-tech funding.

The report was shared with both policymakers and decision-makers in the innovation ecosystem. It was launched alongside an interactive dashboard and was downloaded more than 500 times in the first month, with web traffic up by 37% to the associated webpages in the launch week.

600+

Innovators supported

6.1k

jobs created across the UK

£3.8bn

raised in follow-on investment

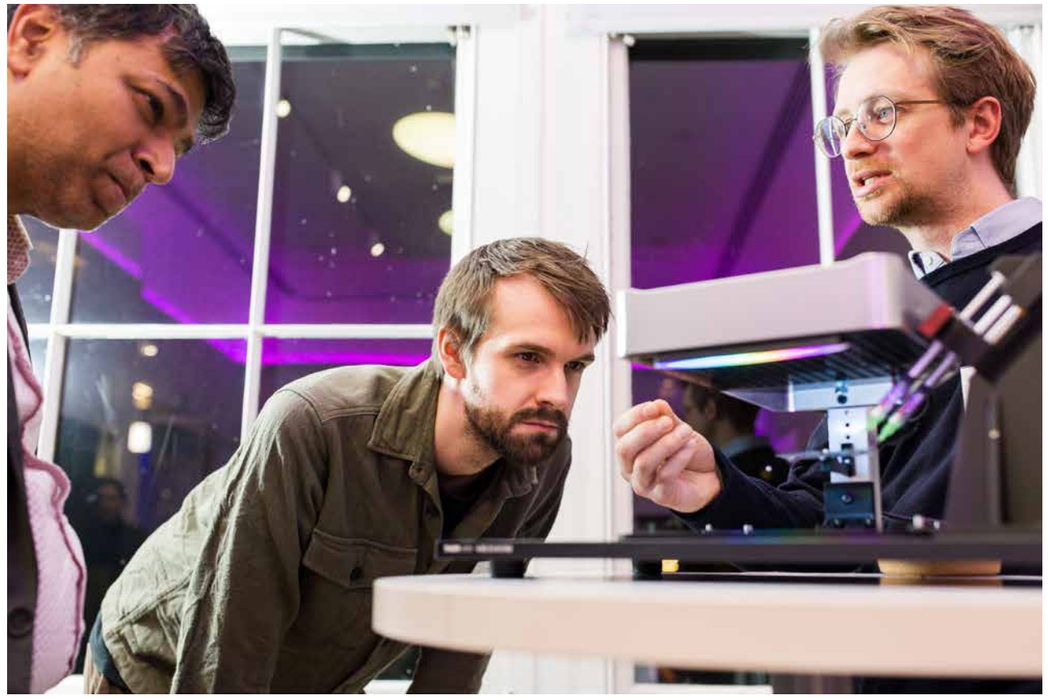
number 1

In 2026, the Enterprise Hub was named the leading startup hub in the UK by the *Financial Times*, Statista and Sifted

“The Regional Talent Engines programme has been instrumental in helping me move our ideas forward by providing essential knowledge and skills in business development and finance. Moreover, the programme has significantly boosted my confidence as a founder.”

David Barton,
Co-Founder of Kaydiar Ltd

Hub members AcoustoFab demonstrate acoustic levitation at the Enterprise Hub Showcase.





Technology improving lives

We want to shape a world in which technology in all its forms is used to meet the most important human needs, avoid harm, support fairer societies, and break down barriers to opportunity.

Through the innovators we support, the communities we engage, the policymakers we provide advice to, and the life-changing engineering we celebrate, we aim to improve public trust and understanding of engineering, and support equitable development and deployment of technological solutions to society's biggest challenges.

Engaging with government

Throughout the year, the Academy has been working extensively with national and local government. *Testing the waters: priorities for mitigating health risks from wastewater pollution*, the report we launched in May 2024 alongside Chief Medical Officer for England, Professor Sir Chris Whitty KCB HonFREng FRS, continues to inform government activities. We have been engaging with Defra on the topic and the Independent Water Commission, led by Sir Jon Cunliffe GBE CB. **In January 2026 we were pleased to see that many of our recommendations were highlighted in the government's *A new vision for water* white paper**.

In February 2026, we compiled some outputs from our Neighbourhood Health Commission to present to the Department of Health and Social Care (DHSC) Permanent Secretary Engagement Board. As a result, we were invited to attend a meeting with the DHSC Neighbourhood Health Team to discuss the wider project. Insights and learnings from our project will contribute to the Neighbourhood Health team's broader portfolio of work.

< Enterprise Hub member Dr Katerina Spranger with her company Oxford Heartbeat.

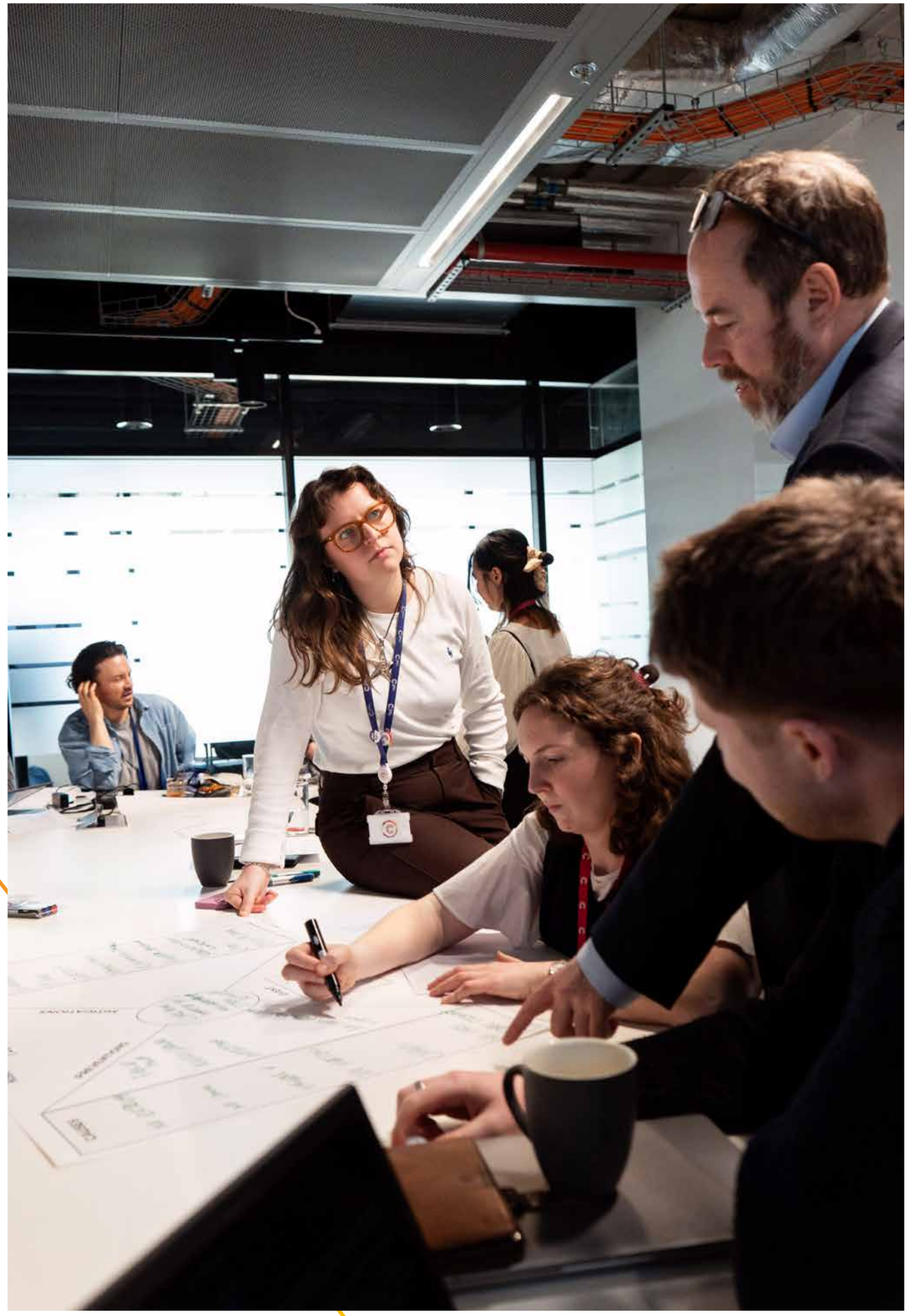
Our work also continues on practical, people-centred and sustainable AI. We launched Practical AI, a series of online discussions to tell practical stories of AI adoption, including about AI-enabled sensor-based systems improving road safety in the West Midlands, intelligent robots inspecting the Thames Tideway Tunnel and home sensing to support safer independent living. In February, we hosted a Practical AI workshop in Barnsley, which had recently been named the UK's first government-backed Tech Town, in partnership with the Cabinet Office and the local council. The day focused on a core challenge for many places looking to turn ambition into delivery: how to build the data and institutional foundations needed to apply AI meaningfully in public services. **It brought together experts from the Academy's network with the local service delivery teams**, and discussions spanned everything from secure data environments and operational systems to public dialogue and AI-enabled decision support.

In November, we delivered our Policy Fellowships Showcase, bringing together policymakers, Academy Fellows and senior leaders. The event highlighted the achievements of Policy Fellows and explored how policy ideas gain traction, featuring keynote speeches from Matthew Gill, Programme Director at the Institute for Government, and Dame Angela McLean, Chief Scientific Adviser to the UK government.

We also continued collaborating with the Policy Profession Unit to strengthen systems thinking across government, including two knowledge-sharing webinars led by Policy Fellows Simone Cooper-Searle and Andy Sweeting. And across the year, the Systems Approaches in Government programme delivered nine workshops and sessions on systems thinking to over 250 policy professionals. Guided by our Fellows' expertise, we applied systems thinking tools to tackle complex challenges, such as identifying data needs for Scottish offshore wind developments and expertise for future SAGE (Scientific Advisory Group for Emergencies) groups.

4,478

pieces of media coverage secured in 2025/26



The Academy delivered a systems workshop for Cancer Research UK in March.

A secure and resilient society

2026 marks 10 years of our UK Intelligence Community Postdoctoral Research Fellowships, which are offered by the Government Office for Science and delivered through the Academy. The fellowships promote unclassified basic research in areas of interest to the intelligence, security and defence communities. The scheme has become a trusted way of building research capability and strengthening talent pipelines into the UK intelligence community. It brings together a wide range of organisations, including the National Protective Security Authority; Defence Science and Technology Laboratory; the Home Office; the National Cyber Security Centre; and the UK National Authority for Counter Eavesdropping, ensuring close alignment between academic excellence and real-world intelligence and security needs. It is further strengthened by longstanding collaboration with key international partners, notably the Australian Office of National Intelligence and the United States Office of the Director of National Intelligence, who help shape priority research topics and provide ongoing opportunities for international collaboration for awardees.

Each fellowship is capped at a maximum grant of £250,000 over a two-year period, which has helped over 50 early-career researchers advance their work – with the funding supporting everything from local and international collaborations to essential equipment, alongside mentorship, continuous professional development, and specialist training in areas such as commercialisation, policy engagement, and media communication.

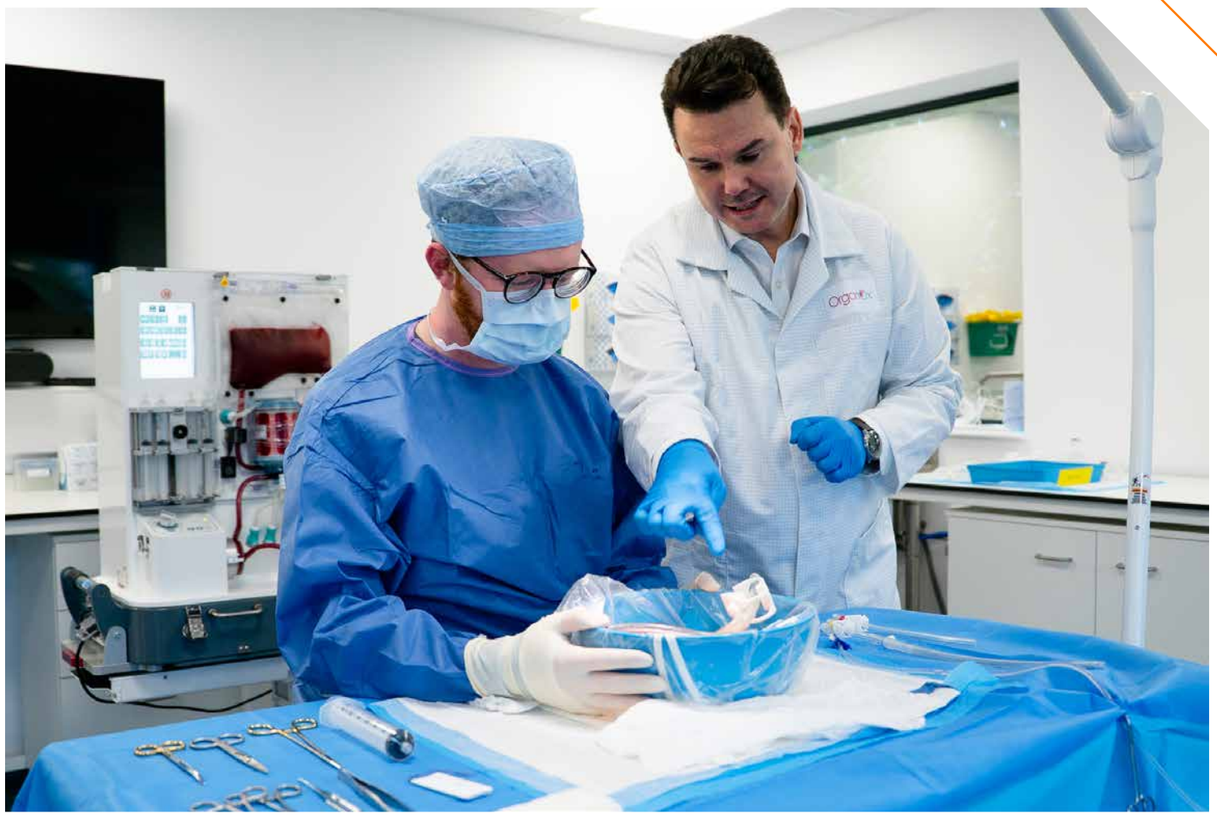
Recognising engineering leaders

At our Awards Dinner in July, the 2025 MacRobert Award was presented to OrganOx, co-founded by Professor Constantin Coussios OBE FREng FMedSci (right in the image opposite), for its metra® device (seen in the background). The metra® maintains livers in a functioning state outside the body for at least twice as long as conventional cold preservation techniques. To date, it has enabled over 6,000 transplants across four continents and 12 countries, and medical facilities using the technology have reported up to a 30% net increase in transplants, with waiting times and waiting list mortality cut by more than half.

The Times, Reuters, BBC News Oxford, BBC *Tech Now*, and *The Engineer* covered the announcement of the win. Times Radio and Sky News also interviewed Professor Coussios.

Shortly after the win, the company was acquired in a £1.2 billion deal by Terumo, which was mentioned widely in the national news and engineering and business media, including *The Times*, BBC News and *The Engineer*.

> “OrganOx has developed a truly game-changing and life-saving innovation that is at the forefront of efforts to increase the number of donor organs available for transplantation.”
>
> **Chair of the MacRobert Award judging panel, Dr Alison Vincent CBE FREng**



Listening to the public

Our People's AI Stewardship Summits concluded in 2025, with our last two summits in Swansea and London. The summits were a first for the Academy, pioneering a new approach to dialogue and public listening and embedding the voice of communities into our activities, from policy influencing to entrepreneurship. **They brought together 148 members of the public and 90 stakeholders including AI entrepreneurs, researchers and policy professionals, exploring where AI can have most value**, alongside concerns communities have about its impact. Held in partnership with the Regional Enterprise Hubs, we gained valuable insights on timely themes such as assurance and sustainability, as well as the local contexts as our summits surfaced unique needs and strengths in each place.

Participants said they want more opportunities to deliberate on the future of AI, emphasising the need for inclusive dialogue and a broader exchange of views. A key concern was the potential for AI to diminish human connection, particularly for vulnerable groups, highlighting the importance of maintaining human oversight throughout AI's development. Calls for robust regulation at every level – local, national and international – were matched by a consensus that AI must be harnessed to reduce inequalities rather than exacerbate them. Environmental considerations, such as long-term impacts on resources like water, were also brought to the forefront.





Attendees create posters at the People's AI Stewardship Summit in London.

"It has been truly inspiring to hear different voices, thoughts, concerns and ideas about AI and how it may shape the future of healthcare. The roundtable discussions have been thought-provoking and will influence our approaches to the deployment of clinical AI. The event has demonstrated the value of co-creation and ideation."

Stakeholder attendee, People's AI Stewardship Summits

The summits succeeded thanks to their inclusive facilitation and accessible language, which encouraged participation from all attendees. Members of the public were given the chance to deepen their understanding of AI and engage directly with those shaping its future. Enterprise Hub members and Academy awardees gained a broader perspective beyond their usual circles. Most importantly, the summits demonstrated our ability to engage the public meaningfully on both technical and sociocultural matters, strengthening the connection between innovation and the communities it serves.

In March, the People's AI Stewardship Summits received the Community Award at the Responsible AI UK 2026 AI & Robotics Research Awards, with the judges noting that they have "created powerful spaces for connection, bringing innovators together with local communities to ensure that those most affected by technology have a real voice in shaping and implementing AI and robotics innovations".

Work also continued in January when the Academy hosted an AI Adoption for Businesses Summit in collaboration with the Knowsley Chamber of Commerce at Central Hub in Liverpool. This brought together local organisations to explore how AI can drive measurable value while managing risk responsibly. Discussions included personal perspectives of AI adoption, peer learning and effective risk management, and provided valuable real-world insight into how organisations are approaching AI and overcoming challenges to deliver impact.

"[the People's AI Stewardship Summits] created powerful spaces for connection, bringing innovators together with local communities to ensure that those most affected by technology have a real voice in shaping and implementing AI and robotics innovations."

Judges at the Responsible AI UK 2026 AI & Robotics Research Awards

5
full-day summits

5
regions of the UK

230
people from local communities, policy, research and innovation brought together



Engineering community fit for the future

Our vision is for an engineering community that truly reflects the diversity of wider society, embraces inclusive excellence, and is equipped with the skills necessary to meet emerging challenges safely, securely and ethically.

We aim to empower both established and aspiring engineers – including those from underrepresented groups – to keep pace with rapid innovation and to deliver outstanding and equitable outcomes for all parts of society.

Engineering in education

As part of our goal to engage more young people in engineering, our *This is Engineering: Schools* programme expanded this year. In September, a launch event at Panasonic Manufacturing UK welcomed the 20 schools in Caerphilly that joined the Welsh Valleys strand of the programme in 2024–25 academic year, which is supported by the Welsh Government Tech Valleys programme. Welsh Assembly Cabinet Secretary for Economy, Energy and Planning, Rebecca Evans MS, gave a keynote speech highlighting how the UK government's Industrial Strategy placed engineering at its heart and that "young people are going to fuel the future of Wales".

During the year, schools in Caerphilly used this funding to deliver a range of activities and experiences to enhance the 'E' in STEM:

- In early December, Jack Sargeant, Minister for Culture, Skills and Social Partnership, joined pupils from Newbridge Comprehensive School on a visit to Gorilla Group TV. Students worked in a professional TV studio to interview the minister using questions they had prepared in advance.
- At Afon Taf High School, 20 engineering GCSE students used CAD software to design a phone holder. Panasonic 3D printed their designs, which the students received at a Panasonic site tour in November.
- 120 year seven students from Bedwas High School used injection-moulding techniques to create and sell new products from recycled plastic.

School students engage with exhibitions at a *This is Engineering: Schools – Welsh Valleys* event in Cardiff.

- Islwyn High School launched their ‘Engineering a Bright Future for IHS’ project, as an extra-curricular club. Students solved engineering problems by working with materials, hand tools and machinery, through to advanced 3D CAD modelling, robotics and 3D printing. This will create a pipeline of pupils engaged with engineering, as the school launches its engineering GCSE option in the 2026-27 academic year.

Following a successful five years, the Lord Bhattacharyya Engineering Education Programme became *This is Engineering: Schools – West Midlands*. Across the five years, over 50,000 learners engaged in engineering projects through the programme, which raised the profile of STEM in schools, enhanced students’ knowledge of engineering and career pathways, and in some cases enabled new engineering qualifications through funded equipment. Teachers also reported improved confidence, skills and teaching practices as a result of the new equipment and careers-linked activities provided. Several schools in the programme set up robotics and STEM clubs after participating to enhance students’ learning, and several reported significant rises in girls choosing engineering or STEM subjects – rising from 5% to 20% in one such case. The programme also allowed schools to build links with local employers, with one school increasing its employer partners from 15 to more than 40, supporting apprenticeships and progression into higher education.

This is Engineering: Schools – West Midlands will now expand to include schools in Wolverhampton and Sandwell and Walsall alongside its existing schools in Birmingham, Solihull and Coventry. Each of these area ‘clusters’ will comprise one further engineering college, four secondary schools and four primary schools, with one lead school coordinating activity for their cluster, supporting learning between the institutions, as well as with external stakeholders and local employers.

50k

learners engaged in engineering projects through *This is Engineering: schools – West Midlands* across the five years

Building a talent pipeline

800

undergraduates from UK universities supported to undertake accelerated personal development programmes

In 2025, our Engineering Leaders Scholarship (ELS) programme celebrated its 30th anniversary. Since inception, it has supported 800 undergraduates from universities across the UK to undertake accelerated personal development programmes, to acquire the skills needed to better fulfil their potential. It also offers three additional enhanced awards each year, through the Sir Ralph Robins Scholarship, to support students from underrepresented backgrounds with tuition fees. In 2025, three ELS alumni were elected as Academy Fellows for the very first time: John Armstrong FREng, Chetan Kotur FREng and Barbara Welch FREng, demonstrating the programme’s success in advancing engineering careers.

In early 2026, our MSc Motorsport Scholarship programme, which is funded by Mission 44, Honorary Fellow Sir Lewis Hamilton HonFREng’s foundation, was relaunched in a new and expanded form. As well as encouraging applications from people from a Black or mixed-Black background, it now also welcomes applications from women and those from a less advantaged socioeconomic background.

The support offered by the programme includes a series of workshops designed to equip participants with the key skills, knowledge and confidence required to secure roles within the motorsport industry. All awardees to date have also had the opportunity to spend the day at Silverstone with Sir Lewis to ask him questions about his own career journey in motorsport and share the programme’s positive impact. The programme covers a broad range of career-focused topics delivered by leading professionals from Formula E, Aston Martin F1, Bosch Motorsport, and Mission 44, ensuring participants benefit from first-hand industry expertise. It will now also include a programme of networking support and career training led by Driven By Us, and a six-month mentoring scheme led by the Association for Black & Minority Ethnic Engineers.



The second cohort of the MSc Motorsport Scholarship join Sir Lewis Hamilton HonFREng at Silverstone for the British Grand Prix weekend.

Of the 13 people awarded scholarships during the two-year pilot, five are now working in Formula 1 teams, two in the motorsport sector, and one in engineering more broadly.

In 2025, the Graduate Engineering Engagement Programme (GEEP) celebrated 10 years. Run in partnership with engineering employers including Amey, Rolls-Royce, bp, Johnson Matthey, National Grid, COWI, and BAM, GEEP aims to increase the numbers of engineering graduates from diverse backgrounds entering the profession and has worked with over 300 volunteers from more than 50 companies. In the 10 years that it has been running, **more than 2,000 students from over 70 universities have taken part, 30% of whom were women and over 90% who were from Black, Asian and minority ethnic backgrounds**. The programme has led to at least 320 engineering employment opportunities including internships, graduate placements and jobs. In September, the milestone was marked with a celebration event, bringing together GEEP alumni, industry partners, stakeholders, and supporters. A keynote address was given by Professor Rachel Oliver OBE FREng and alumni shared their experiences of the programme and working in the profession in several panel discussions.

Out of 365 students in the 2024–25 cohort, which graduated in July 2025, over 77% met all the core requirements and graduated. This was made possible thanks to 211 industry volunteers who contributed more than 1,050 hours of their time across 33 GEEP events, and 236 mentors who invested nearly 1,170 hours in mentoring calls. Across the year, over 44% of the students gained work exposure, including internships, placements, and graduate roles, demonstrating the real-world impact of GEEP in creating career opportunities. This year's success reflects not only the dedication of our students and mentors but also the strength of the partnerships and structure behind GEEP.

Inspiring young engineers

At our AGM in September, we named the four winners of our Engineers Trust Young Engineer of the Year competition, supported by the Worshipful Company of Engineers. Miguel Martinez Paneda, Principal Structural Engineer, Arup; Jack Biltcliffe, R&D Lead, The Washing Machine Project; Andrei Feraru, Founder and CEO of Feraru Dynamics Ltd; and Dr Calvin Tsay, Associate Professor, Department of Computing, Imperial College London (not pictured) were recognised for accomplishments that include making tall buildings safer, scaling up global access to non-electric washing machines, protecting workers from the dangerous effects of strong vibrations and creating digital tools for energy optimisation.

"Their pioneering work shows how engineering continues to have a positive impact on society and the environment. These exceptional individuals are not only solving real-world challenges but also inspiring the next generation to explore the vast possibilities of an engineering career."

Luke Logan FREng, Chair of the Academy's Awards Committee



Engineering for the future

Every year National Engineering Day gets bigger and more ambitious and 2025 was no exception. Celebrations kicked off the day before with our first Innovation Late event held outside of London. More than 115 people, the majority of whom were not engineers, joined us in Liverpool for an evening exploring emerging technologies and engineering-themed immersive experiences, including levitating gin & tonic, live brain scanning and textiles that generate electricity. They also heard lightning talks from a range of innovators, including Dr Aled Roberts, a recipient of a £3 million Academy Green Future Fellowship, for his work to develop a low-carbon, sustainable tile alternative and help revive manufacturing in the UK.

Attendees at the roundtable at 10 Downing Street held on National Engineering Day: (left to right): Yewande Akinola MBE HonFREng; Jonathan Narbett (Director, QEPrize); former Academy CEO, Dame Hayaatun Sillem DBE; Alice Kan; Dr Ishara Dharmasena; George Imafidon MBE; Susan McDonald; Dr Navjot Sawhney; Milly Hennayake; Academy President Sir John Lazar CBE FREng.



The day itself started with a parliamentary breakfast reception at the House of Lords hosted by Lord Mair FREng. Over 140 people from the engineering community, partners, MPs and Peers joined us to launch the Engineers 2030 final report and the *AI–Z of Engineering*, which highlighted current and future engineering roles to inspire young people to consider engineering as a career. The Engineers 2030 report is the culmination of an 18-month programme of work to define the skills needs of the UK engineering workforce in the 21st century. It draws on extensive evidence and input from employers, educators, and engineers across the UK, and calls on government to make significant changes to develop an engineering education and skills system fit for purpose and help address the skills gap and diversity challenge.

Elsewhere on National Engineering Day, a joint Queen Elizabeth Prize for Engineering and Academy roundtable, which included Academy President Sir John Lazar CBE FREng and former CEO Dame Hayaatun Sillem DBE was held at 10 Downing Street, joined by Secretary of State Liz Kendall, Science Minister Lord Vallance, and Chief Secretary to the PM Darren Jones. They heard from QEPrize Laureates, Academy awardees and This is Engineering champions about how we can make the UK an even better place for engineering excellence, delivering economic and social benefit. In the evening, His Majesty The King presented the 2024 and 2025 QEPrize Laureates with their trophies and medals, at a presentation ceremony and dinner held at St James's Palace.

5.7M

media coverage and social media posts about National Engineering Day reached over 5.7 million people across the UK.

Highlights on the day included an interview with QEPrize 2025 Laureate Fei-Fei Li on the *Today* programme; a Sky News interview outside Number 10 with 2025 Laureate Jensen Huang, Liz Kendall and Hayaatun that brought together the QEPrize and National Engineering Day. Meanwhile articles appeared in the *Mirror*, *Daily Express*, *Daily Star* and *First News*, among others, featuring our survey about public perceptions of engineering innovation, our futurologist's predictions for 2050, and reference to the Engineers 2030 report.

On social media, we saw posts from big accounts such as TfL, Network Rail, GCHQ, DSIT, and Mission 44, as well as from STEM leaders Ruth Amos, Dr Shini Somara, and Google's Debbie Weinstein, MP Fleur Anderson and George Imafidon, as well as friends of the Academy: The Royal Institution, ARIA, EqualEngineers, and STEMazing.

"Engineers are critical to seizing the opportunity that's ahead of us. I welcome this call to action from the Academy … Together with the government's record support for R&D, and our investment in skills and training, we are backing this important sector so it delivers even greater success."

Liz Kendall MP, Secretary of State for Science and Technology



People and operations

Following the launch of our new five-year strategy – Engineering better lives – in April 2025, we are focusing on strengthening our capability, deepening insight, and enabling our community to increase the impact of our work.

Digital first

Digital capability underpins all of the Academy's work. During the year, we continued to embed a digital-first mindset and adopt a product-based approach to delivery, ensuring that solutions are standardised, modular and regularly reviewed for effectiveness. This approach is strengthening the foundations needed to deliver strategy 2030 at pace and at scale.

Listening to staff and leaders across the Academy was a critical starting point in shaping our digital direction. Insights from this engagement directly informed the priorities set out in our digital roadmap. In response, we have committed to a more joined-up, product-centred way of working that focuses on understanding user needs, defining clear value and delivering improvements iteratively.

By using evidence to guide decisions and phasing delivery, we are ensuring that digital investment supports our strategic goals while remaining practical and sustainable.

Professor Susan Gourvenec FREng (left) with Academy COO Cecilia Harvey (right) at our annual EDI conference.

Strengthening the Academy's governance

Over the past year, the Academy carried out a review of its governance to make sure our structures continue to support effective leadership, clear accountability and delivery of our strategy 2030. The review was led by an independent governance review group chaired by Professor Nilay Shah OBE FREng, working with Trustees, Fellows and senior staff. It examined how committees are structured and how they connect with the Trustee Board, the effectiveness and composition of the Board itself, how Fellows and other stakeholders are involved in governance, and whether current arrangements support the Academy's long-term strategy.

The review concluded that while the Academy is well governed, its structures had become complex over time. In particular, it identified that accountability at Board level was not always as clear as it could be, especially for people, operations and equity, diversity and inclusion (EDI); that the number of committees could slow decision-making; and that some operating committees were carrying out advisory roles in practice.

These factors made it harder for Trustees to get a clear, joined-up picture of the Academy's work and to provide timely guidance where needed. The review recommended a series of changes to simplify governance, strengthen Trustee oversight and improve agility, while keeping Fellows closely involved.

At the heart of the proposals made following the review is a clearer and more streamlined committee structure. Two governance committees will oversee finance and operations, and people and culture, ensuring these areas receive consistent and focused Board attention. Operating committees will be more tightly aligned to the Academy's products, including programmes, policy, enterprise, and skills.

A significant recommendation is to elevate accountability for two strategically important and cross-cutting areas of our work – EDI and international – through the appointment of Trustees leading on these areas. These Trustees will chair steering groups of EDI and international leads from each of the operating committees.

The review also recommended rationalising subcommittees, introducing clearer criteria and approval processes so that they are created only where there is a clear purpose, helping to reduce duplication and improve clarity.

£3.6M

secured in new funding commitments by the Academy for its programmes from industry, charitable trusts and individual donors, in the last year.



Fellows, Academy staff and members of the Aftrak team at Loughborough University.

Fellowship

Our Fellowship represents an unrivalled community of leading businesspeople, entrepreneurs, innovators, and academics from every part of engineering and technology. Over the past year, Fellows have volunteered an estimated 25,000 hours to support the Academy in driving public benefit from engineering excellence and technology innovation. This has included attendance at events and meeting other Fellows, awardees and Academy staff in our regional Hub areas, such as the President's North East visit to Pragmatic Semiconductor in Durham and SMD expand in Newcastle. Vice President for Fellowship Engagement, Professor Nick Jennings CB FREng FRS hosted an afternoon at Loughborough University for Midlands Fellows, featuring a networking lunch and tours of the Sports Technology Institute and Aftrak. We also hosted a two-day summit in Belfast and Dublin that brought together international experts, spinout founders, universities and research institutes ahead of the *Spotlight on Spinouts: Ireland* report.

At our AGM in September, we elected 74 leading figures in the field of engineering and technology to the Fellowship. The Fellows elected in 2025 reflect the Academy's ongoing

Fellowship Fit for the Future initiative, with overall numbers of Fellows elected from underrepresented groups across the campaign exceeding its aim of 50%. The initiative is driving more nominations of outstanding engineers from underrepresented groups and sees the Academy striving for increased representation from women, disabled and LGBTQ+ engineers, those from ethnic minority backgrounds, nontraditional education pathways and emerging industries, and those who have achieved excellence at an early career stage.

The Academy's Trustee Board is also committed to forming a Board that is fit for the future, defined as a body that represents the full breadth and diversity of engineering excellence, as well as the skills and experiences needed to provide effective leadership for the Academy. To help achieve this, one of the main responsibilities of the Academy's Nominations Committee is to actively seek and encourage people from different groups to stand for election. The Board is guided by the values of the Academy to create a culture in which everyone can thrive and diverse perspectives enrich its collective performance; in support of this commitment, the Trustee Board publishes its own diversity data (see opposite page).

Progress in EDI

In 2025, we again asked professional engineering institutions and scientific bodies to assess their progression against EDI using the Progression Framework tool developed by the Academy and the Science Council. Since 2017, the Progression Framework has enabled these organisations to assess their EDI practices in relation to 10 areas of organisational activity.

For the 2025 exercise, 45 organisations participated in a self-assessment. Inclusioneering, the consultancy that carried out the analysis on behalf of the Academy and Science Council, analysed the evidence and produced overall reports for engineering and science, as well as a tailored benchmarking report with recommendations for each participating organisation. The Academy reported an overall self-assessment score of 3.4 out of 4. Compared with the 2021 self-assessment, we have identified improvement in several areas including sector leadership, EDI embedded in the strategy, inclusive events and communications, and robust data collection and reporting – while noting that progress on EDI is not always linear. Our scoring this time applied a more critical lens to our EDI practice, recognising where further work is needed – and our focus now is consistency and clearer measurement to sustain progress and broaden positive impact.

Trustee Board diversity data



The figures represent approximately 90% of the Trustee Board. All respondents declared that they had no disability when asked and all respondents stated that they were straight/heterosexual when asked.

EDI awards for Academy staff

In November, our People of Ethnic Majorities (POEMs) employee resource group (ERG) was named first runner-up for ERG of the year at the Association for Black and Minority Ethnic Engineers 2025 Awards. This recognition is a testament to the incredible work, dedication, and passion the group has contributed to helping the Academy become a more inclusive place to work. Shortly afterwards, it was also shortlisted for the Onvero (formally ENEI) Inclusivity Excellence Awards as Employee Network Group of the Year. While it didn't take home a second award, POEMs chair Yohanes Scarlett (right), EDI Policy and Research Adviser, did win the EDI Influencer of the Year at the awards – recognising his leadership of POEMs, his contributions at the Academy, and his impactful work in advancing inclusion across engineering and beyond.





GENDER PAY GAP REPORTING

At the 'snapshot' date of 31 March 2026, the mean gender pay gap was 2.6% and the median gender pay gap was -2.2%. On 31 March 2026, we employed 249 relevant employees (2025: 243).

All figures below are as at 31 March 2026:

Number of employees:

177

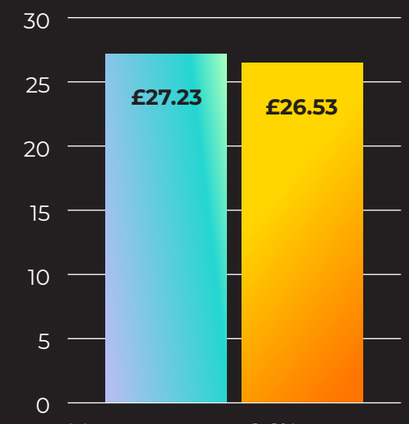
Women (2025: 165)

72

Men (2025: 78)

Mean gender pay gap in hourly pay

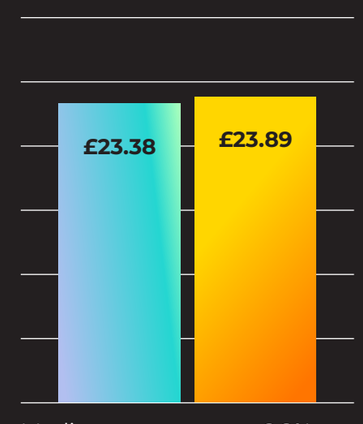
2.6% difference



Mean: men earn 2.6% more than women (2025: 4.5%)

Median gender pay gap in hourly pay

2.2% difference

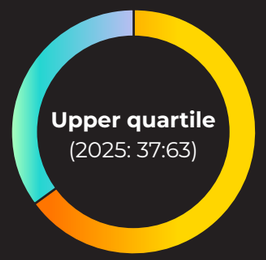


Median: women earn -2.2% more than men (2025: -1.1%)

PROPORTION OF MEN AND WOMEN IN EACH QUARTILE (%)

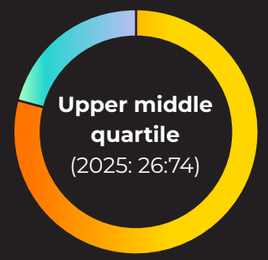
The difference between the mean pay of the men and women in each quartile is shown above each chart (a negative difference indicates that the mean pay of women was higher).

6.7% difference



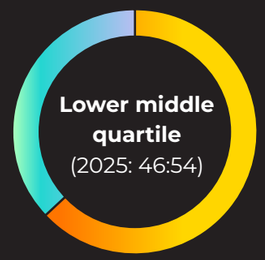
35% 65%

0.7% difference



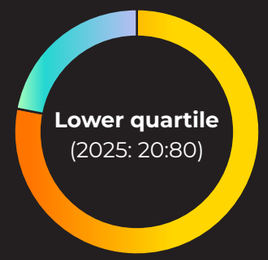
21% 79%

0.8% difference



37% 63%

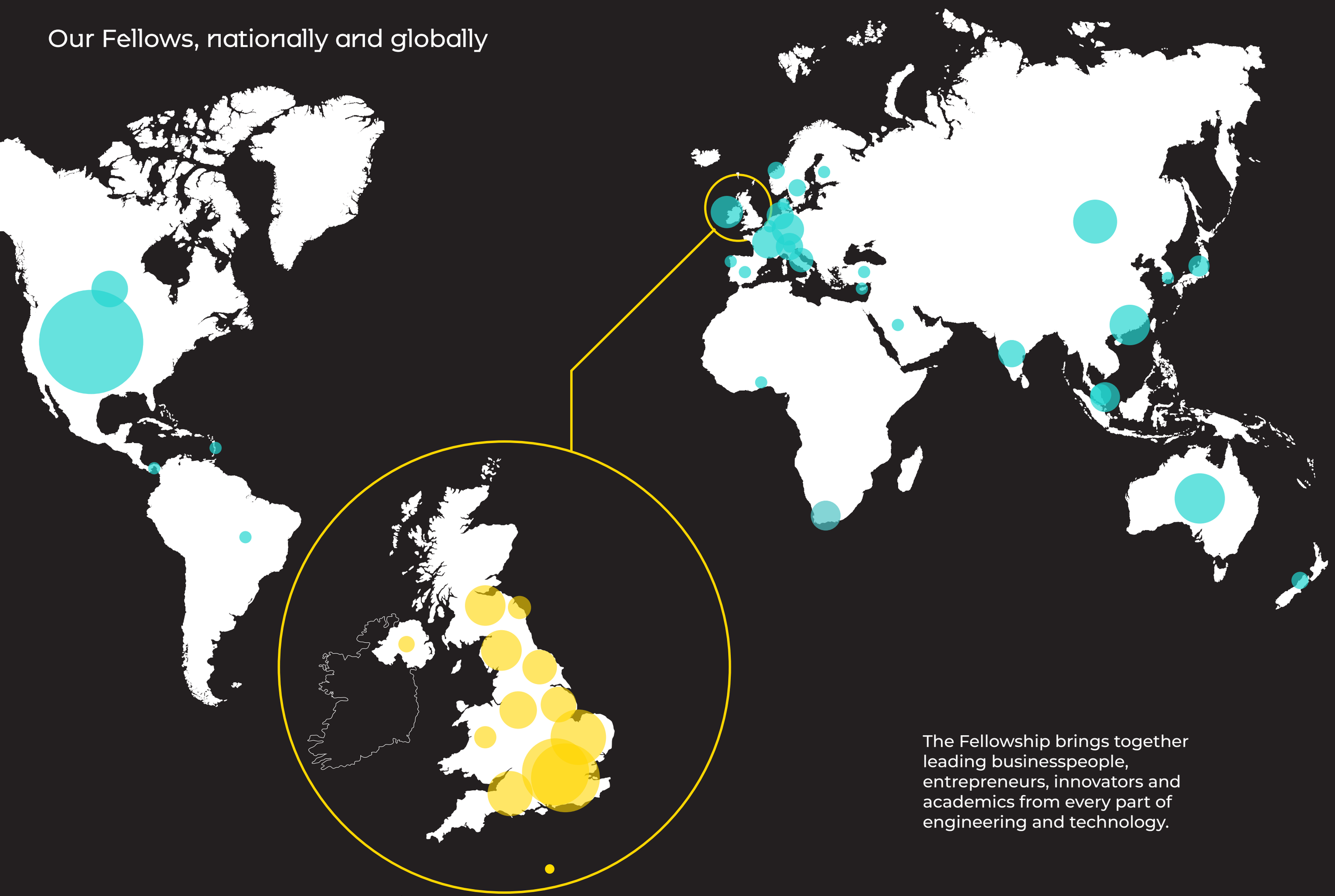
1.0% difference



22% 78%

Note: gender pay gap percentages referenced in quartiles are based on mean calculations. The reported quartiles represent an equal number of employees in each quartile, from the highest paid to the lowest paid. The upper quartile represents the highest paid employees. Quartiles are based on mean pay and so there are different numbers of men and women in each quartile.

Our Fellows, nationally and globally



The Fellowship brings together leading businesspeople, entrepreneurs, innovators and academics from every part of engineering and technology.



Future plans

Attendees at the New Fellows celebration at Draper's Hall in London.

The past year, 2025-26, was the first in our five-year strategy period to 2030, in which we are focused on creating and leading a community of outstanding experts and innovators to engineer better lives, with three goals: a sustainable and innovative economy, technology improving lives, and an engineering community fit for the future. We will take a product and place-based approach to delivering against these goals, and in keeping with our values, much of our work will be delivered collaboratively with key partners across the UK and around the world.

Our deliverables for 2026–27

Enterprise Hub

In 2026–27, we will:

- support entrepreneurs to create 1,500 jobs and secure £1 billion follow-on funding
- launch two new Regional Enterprise Hubs in Southampton and Greater Coventry and deliver phase one of the Regional Technology Adoption Programme
- secure new corporate partnerships
- expand venture and investor networks
- formalise regional enterprise pathways
- strengthen impact tracking and data capture.

Engineering X

In 2026–27, we will:

- secure the next phase of funding for the Skills for Safety mission
- establish the global committee on End-of-Life of Offshore Wind and complete the Africa open-burning partnership transition
- strengthen our measurement framework for global impact.

Skills Centre

In 2026–27, we will:

- validate and seek funding for our approach to driving workforce upskilling
- design and launch the first phase of the programme, focused on regional engagement.

Research and Invention Fellowships

In 2026–27, we will:

- award new Green Future Fellowships, Research Fellowships and Research Chairs
- optimise our approach to a new round of Chairs in Emerging Technology grants by incorporating lessons learned from Green Future Fellowships
- strengthen awardee and alumni engagement.

National Engineering Policy Centre

In 2026–27, we will:

- build on our programme of work on climate and sustainability, with new policy outputs on clean power, and public dialogue on climate adaptation
- launch the next cohort of Policy Fellows and launch a Senior Policy Fellowships programme
- establish an impact tracking framework for policy influence
- establish the Engineering Diplomacy Hub to strengthen the Academy's international profile and policy convening on international issues
- establish new partnerships beyond the professional engineering institutions
- deliver a programme of impactful policy advice.

Activities to enable delivery

In 2026-27 we will enable the Academy to achieve its goals by:

- mobilising Fellows and awardees as ambassadors through coordinated 50th anniversary communications and engagement opportunities
- leveraging the 50th anniversary to catalyse philanthropy
- updating the Fellowship engagement strategy
- embedding Fellowship Fit for the Future and conducting a membership review
- strengthening Fellowship and awardee pipelines by bringing together Fellowship and awardee engagement activity and expanded regional and global engagement
- implementing a new governance structure, including new vice presidents, operating committees and governance committees.

L–R: 2026 Rooke Award winner Alex Knight MBE with 2025 winner Dr Shini Somara, who presented her with the award.



Accounts

Report of the Trustee Board

FINANCIAL REVIEW

Group results for the year

The Academy has produced group accounts for the year, having consolidated its accounts with those of its two subsidiaries: the Queen Elizabeth Prize for Engineering Foundation and RAE Trading Limited. The annual report, incorporating the financial statements for the year ended 31 March 2026, has been prepared in accordance with the Academy's Royal Charter, and in compliance with Accounting and Reporting by Charities: Statement of Recommended Practice 2019, applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019) – (Charities SORP (FRS102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102). The Academy meets the definition of public benefit entity under FRS102. These financial statements are prepared under FRS102.

Group income for the year was £61.0 million (2024/25 £71.8 million). During the year, income from grants and other contracts totalled £52.0 million (2024/25 £62.6 million). Donations totalled £0.6 million (2024/25 £1.1 million). Other major sources of income during the year were: investments, subscriptions, events, and facilities hire income at a total of £8.4 million compared to £8.2 million in the previous year.

Group expenditure on charitable activities was £59.6 million (2024/25 £65.5 million) 96% of total expenditure. Of this total, £52.5 million represented charitable activities and grants paid under various programmes and £7.1 million represented the costs of operating those programmes.

The cost of generating funds across the group was £2.4 million (2024/25 £2.2 million) 4% of total expenditure. The cost of generating funds consists of fees paid to investment managers, facilities hire and catering, and the staff costs and expenses associated with fundraising. The Academy is continuing with major fundraising activity aimed at obtaining funds for the enhancement and expansion of the Academy's programmes to support talent and diversity, innovation, and policy and engagement, as well as central infrastructure.

Group funds

The carrying value of the group's net assets was £232.8 million (2024/25 £224.4 million). Investments were valued at £211.9 million as at 31 March 2026, with the Academy holding £185.8 million and the Queen Elizabeth Prize for Engineering Foundation holding £26.0 million. Tangible fixed assets valued at £25.1 million included the £10.6 million value of the Carlton House Terrace lease and the £12.1 million of leasehold improvements to Prince Philip House. The main liability was a bank loan of £11.5 million, which funded the extension of the Academy's property lease, funded part of the lower ground floor extension and settled the previous loan.

Group fixed assets

Capital expenditure during the year amounted to £1.5 million, which was on computer systems and equipment and office fixtures and fittings.

Reserves policy

The Academy's intention is to maintain sufficient reserves to ensure financial resilience and sustainability, including protection against risks identified in the risk register. The reserves policy sets out the target reserves level and the key principles by which the Academy will manage any excesses or deficits compared to the target. The aim is to strike the appropriate balance between ensuring a sustainable financial position and using funds to fulfil the charitable objectives of the Academy and deliver public benefit. The reserves policy is reviewed regularly.

Year ended 31 March	**2026**	**2025**
	£000	**£000**
Total funds as per group balance sheet	232,801	224,390
Exclude:		
Restricted funds	196,521	189,240
Unrestricted funds tied up in tangible fixed assets	25,136	24,788
Designated and special funds	4,582	5,356
Free Reserves	**6,562**	**5,006**

Free Reserves

The increase in Free Reserves is driven by an additional allocation to designated funds. Free Reserves are available to be spent for any purpose that meets the Academy's charitable objectives. Free Reserves would cover a short-term emergency or longer-term structural change. The reserves policy states that the recommended range for Free Reserves is £4.6 million to £7.0 million. Whenever the Academy's Free Reserves fall below the recommended range, the intention is to build the level of Free Reserves to be within the recommended range within five years.

ROYAL ACADEMY OF ENGINEERING (PARENT CHARITY OF GROUP)

Results for the year

Total income for the year was £59.6 million (2024/25 £70.4 million). The Academy is grateful to the Department for Science, Innovation and Technology (DSIT) for providing the government core grant to support activities aimed primarily at promoting engineering research in the UK. The core grant at £40.0 million (2024/25 £42.9 million) represented 67% of total group income.

Income from other grants and contracts decreased by 39% to £12.0 million. The main reason for the decrease was a reduction in International Science Partnerships Fund and Global Challenge Research Fund income of £6.7 million.

Expenditure on charitable activities was £59.2 million

compared to £65.0 million in the previous year. An analysis based upon the principal objective of each activity shows that, of the total charitable expenditure: 73% was on innovation; 14% on policy and engagement; and 13% on talent and diversity. Employment costs increased from the previous year by 6% to £16.0 million due to additional resources required to deliver the increased scale of programmes.

Investments

The Academy's investments are held in a managed investment fund and index funds. The value of the Academy's investment portfolio increased over the year by £9.3 million to £185.8 million. Realised and unrealised investment gains during the year were £7.0 million (2024/25 investment losses of £0.7 million).

Investments in the general fund consist of UK government gilts segregated to cover the loan liability repayable in February 2027, the remaining portfolio is placed in securities listed on global stock markets (67% of portfolio) and fixed interest bonds (33% of portfolio). The general fund underperformed versus the composite benchmark by 1.6%. The composite benchmark for the portfolio was set as 70% FTSE All World and 30% FTSE Actuaries UK Conventional Gilts up to 10 years.

Green Future Fellowships (GFF) investments are placed in fixed interest bonds/diversified assets (74% of portfolio) and securities listed on global stock markets (26% of portfolio). The bond portfolio element of GFF investments were compared to a number of passive tracker funds (screened and unconstrained) with a similar duration, it was found that this element of the portfolio achieved higher return. The equities element of the GFF investments underperformed versus the benchmark by 1%.

Designated investments consist of funds invested in line with the general fund (charity) investment strategy to support the MacRobert Award and funds invested in securities listed on global stock markets to support the Colin Campbell Mitchell Award.

Investment policy

The Academy has adopted the following sustainable policy within its Investment Policy:

1. The Academy's assets should be invested in line with its aims.
2. The Academy aims for the best possible financial return from its investments. However, the Academy understands the importance of sustainable investing practices that are compliant with the United Nations Principles of Responsible Investments (UN PRI). The Trustees believe that the two considerations are not contradictory and that sustainable investing principles should not lead to lower return expectations over the long term.
3. The Academy requires its fund managers to pay appropriate regard to relevant corporate governance, social, ethical and environmental considerations in the selection, retention and realisation of all fund investments. The Academy requires all investment managers to be signatories to UN PRI.
4. Academy fund manager(s) will apply screens to filter out issuers with environmental or social concerns without restricting the investment universe to an extent that may impact financial performance.
5. Investments will exclude tobacco, gambling, controversial weapons, and place very restrictive revenue screens for nuclear weapons, civilian firearms, alcohol, adult entertainment, predatory lending, thermal coal, oil sands and high carbon intensity. Equity investments will consist of companies with the highest 25% of ESG ratings in their sector. Corporate bonds investments use ESG enhanced portfolios.
6. These principles will be reviewed on a regular basis to ensure that they are in-sync with the broader ethical and sustainability policies of the Academy.

The Trustees' general powers of investment derive from and are restricted by the Trustee Act 2000. These powers are not restricted by the Academy's Royal Charter, which states that "the Board may invest any monies of the Academy not immediately required for the purposes of the Academy". The investment objective is to generate a total return of inflation (Consumer Price Index) plus 4% per annum over the long term, after expenses. This will allow the Academy to maintain the real value of the assets, while funding annual expenditure at the level generally not exceeding 4% per annum.

The funds have been invested in a diversified portfolio of assets. The core of the portfolio has been invested in the income and return generating assets. Asset classes include domestic and international equities, fixed income instruments, property, commodities, cash, and any other assets deemed suitable for the Academy.

Designated Funds

A strategic development fund of £1.6 million is available to deliver impactful charitable activities over the next five years and/or strengthen the Academy for the longer term and fund non-recurring costs of major projects without impacting annual operating budgets.

Capital building fund

Within designated funds there is a fund of £1.7 million to cover major capital improvements to Prince Philip House.

Prince Philip fund

Within designated funds there is a fund of £1.3 million to enable us to respond to evolving challenges, drive impact across a wide range of engineering disciplines, and ensure resilience in a rapidly changing world, thereby honouring the legacy of our late Founding Senior Fellow, HRH The Duke of Edinburgh.

The specific uses and needs of the restricted and designated funds held by the Academy are detailed separately in the notes to the accounts referred to above. The Academy's reserves are available and adequate to fulfil the current obligations of the Academy.

Risk management and appetite

The Trustees have agreed a risk appetite statement and associated risk management policy. The Audit and Risk Committee reviews the risk register four times a year. The Chair of the Audit and Risk Committee provides updates to the Trustee Board. Risk management is supported by the work of the Audit and Risk Committee as well as various operating committees. The Academy's overall approach to risk is illustrated by the following table:

Risk appetite table

Risk area	Very low	Low	Some	Acceptance
Health, safety and security	•			
Safeguarding	•			
Compliance and governance	•			
Data protection and cybersecurity	•			
Reputation for credibility, integrity, and quality	•			
Reputation for thought leadership, progressive thinking, and campaigning			•	
IT Infrastructure and development		•		
People, culture and wellbeing		•		
Environment and sustainability		•		
Financial management		•		
Programme delivery and operations		•		
Impact and product innovation				•

See table below for description of risk appetite classification

Risk appetite classification

Classification	Description
Very low	As low as reasonably possible.
Low	Preference for safe options that have a low degree of residual risk.
Some	Willing to consider all potential options and choose one that is most likely to result in successful delivery, despite the potential for some degree of risk.
Acceptance	Eager to innovate and to choose options offering potentially higher reward, despite greater inherent risk.

The most significant risks currently faced by the Academy and managing actions are shown in the table below.

Cyber attack Risk of serious cyber attacks that impacts business continuity	· Modern and supported technology platforms · User access controls, including permissions management and passwords policies · Automated patch deployment and monitoring · Antivirus/Advanced Threat Protection in place across environment · Multi-factor authentication across cloud services · Email and web filtering with dangerous content detection · Mobile application management for remote access · Offline/immutable backups for SharePoint, Teams, email data · Quarterly business continuity table-top exercises
National Security Risks Risk of unethical or security-compromising partner activity	· Internal National Security Risks Group formed and meet regularly · Ongoing dialogue with government stakeholders on evolving risks · Academy National Security Related Risk policy and procedures
Government Funding Risk of insufficient government funding caused by a change in government priorities or funding capacity	· Extensive programme of government engagement in place including at CEO and President level · Focus on delivering and demonstrating impact in areas of national need · Trustee Board sub-group oversees development of Spending Review bids

QUEEN ELIZABETH PRIZE FOR ENGINEERING FOUNDATION

The Queen Elizabeth Prize for Engineering Foundation is governed by the Articles of Association for a private company limited by guarantee. These were agreed by Queen Elizabeth Prize for Engineering Foundation trustees on 21 May 2012 and amended on 4 March 2013. The sole member of the charitable company is the Royal Academy of Engineering.

The Queen Elizabeth Prize for Engineering Foundation Trustee Board consists of at least two (and no more than six) nominated trustees, who are appointed by ordinary resolution or by a decision of the Queen Elizabeth Prize for Engineering Foundation trustees and one Ex-Officio trustee who is holder of the office of the President of the Royal Academy of Engineering. All material decisions in relation to the Foundation are taken by Queen Elizabeth Prize for Engineering Foundation trustees.

Royal Academy of Engineering trustees meet periodically with Queen Elizabeth Prize for Engineering Foundation trustees. The Queen Elizabeth Prize for Engineering Foundation formally report to the Royal Academy of Engineering Trustee Board once per annum.

Results for the year

Total income for the year was £0.6 million (2024/25 £0.6 million). Expenditure on charitable activities was £2.2 million compared to £2.1 million the previous year. The Queen Elizabeth Prize for Engineering is awarded on an annual cycle. The Foundation pays a management fee to the Academy for services, which includes staff employed and office space. A CEO was shared across the Royal Academy of Engineering and Queen Elizabeth Prize for Engineering Foundation group entities until 31 December 2025.

Investments

The value of the Queen Elizabeth Prize for Engineering Foundation investment portfolio increased by £1.2 million (2025: £0.6 million decrease). Investments were valued at £26.1 million (2025: £24.8 million).

Investment policy

The overall investment objectives are to create both income and capital growth such that the real capital value of the portfolio is maintained over the long term, thus allowing the prize to be awarded in perpetuity. The portfolio is managed on a total return basis with a medium risk profile. The Queen Elizabeth Prize for Engineering Foundation ensures that portfolio performance is measured against a customised benchmark. The investments are maintained with a long-term investment time horizon of over 10 years.

The Queen Elizabeth Prize for Engineering Foundation does not invest in organisations which conflict with the charity's purpose. The Trustees do not wish to invest in companies or funds that derive their income from the sale or manufacture of tobacco products. No initial investment to exceed 10% of the value of the fund. Bonds held will "BBB" or better classification.

Reserves policy

Queen Elizabeth Prize for Engineering Foundation Trustees consider the level of the Foundation's reserves as part of their risk assessment review process. These reserves are restricted within the group balance sheet.

RAE TRADING LIMITED

Results for the year

The commercial activity undertaken by the company during the year was the provision of rooms and catering services within Prince Philip House, primarily to corporate customers. Catering services are also provided to the Academy at cost. Revenue for the year was £1.4 million (2024/25 £1.5 million). Operating expenditure, including the cost of providing a service to the Academy, was £1.2 million (2024/25 £1.2 million). In addition, a commercial offer of professional development training was initiated which generated development costs of £83,000. The net profit for the year was £212,000 compared to £274,000 in the previous year.

There are no reserves held by RAE Trading Limited as all profit arising is donated to the Academy through a qualifying charitable donation.

Report of the Trustee Board

RECIPIENTS OF ACADEMY GRANTS

The Academy made over 1,000 grants and awards to organisations and individuals in 2025/26 totalling £31.2 million. The first 25 organisations, in order of total amount of funds paid to recipients, are listed below.

		Innovation	Policy and engagement	Talent and diversity	Total
		£000	£000	£000	£000
1	Imperial College London	2,077	–	6	2,083
2	University College London	1,844	4	32	1,880
3	University of Oxford	1,766	16	10	1,792
4	University of Glasgow	1,396	–	8	1,404
5	University of Manchester	1,287	–	71	1,358
6	University of Edinburgh	1,230	16	55	1,301
7	University of Cambridge	1,098	–	30	1,128
8	University of Newcastle	1,051	–	14	1,065
9	Heriot Watt University	1,013	–	–	1,013
10	University of Southampton	1,002	–	4	1,006
11	University of Nottingham	886	–	58	944
12	University of Bristol	896	–	5	901
13	University of Strathclyde	774	18	28	820
14	King's College London	673	9	9	691
15	University of Sheffield	567	17	5	589
16	University of Liverpool	456	–	62	518
17	University of Exeter	330	–	46	376
18	University of Birmingham	241	11	83	335
19	Queen Mary, University of London	280	–	51	331
20	University of Warwick	322	–	–	322
21	Loughborough University	220	7	71	298
22	University of South Wales	248	–	–	248
23	Cranfield University	212	–	25	237
24	University of Surrey	219	–	–	219
25	Aston University	215	–	1	216
Total		**20,303**	**98**	**674**	**21,075**



The Academy awarded grants across the United Kingdom and internationally. A heatmap of awards made across the United Kingdom is shown above by ITL2* region. The map shows only grant funding and does not include other regionally based Academy activities

* International Territorial Level or ITL is a geocode standard for referencing the subdivisions of countries for statistical purposes.

A heatmap of directly related expenditure made across Official Development Assistance (ODA) programmes by country is shown above.

Royal Academy of Engineering (parent charity of group) structure, governance and management

Election to the Trustee Board

Trustee Board members are elected for a term of three years with the exception of the President who is elected for a term of up to five years. With the exception of the President, Trustees are eligible for re-election for a further three-year term. The Trustee election is by a ballot of Fellows each year. The Nominations Committee helps to ensure that there is an appropriate candidate slate for election to the Trustee Board and the associated governance roles.

Induction and training of Trustee Board members

Following election, Trustees are provided with an information pack comprising the Academy's Charter, Statutes and Regulations, a Charity Commission publication on the responsibilities of charity trustees and the Academy strategy. Trustee Board members receive a full induction briefing from senior staff and the Academy's legal advisor and are encouraged to attend recommended external training courses for charity trustees.

Charity Governance Code

The Trustees have previously undertaken a review of current Academy practice mapped against the recommended practice of the Charity Governance Code. The vast majority of Academy practices correspond with the recommended practices set out in the Code.

Code of Conduct

A Code of Conduct is in place to cover the conduct and ethical behaviour expected of Fellows of the Royal Academy of Engineering. Fellows are ambassadors for the Academy and should therefore conduct themselves in a manner that supports the Academy's aims and that upholds and enhances the reputation of the Academy and its Fellows. Fellows are expected to follow the Nolan principles of selflessness, integrity, objectivity, accountability, openness, honesty, and leadership. Fellows who are working for or on behalf of the Academy must act in accordance with Academy policies on conduct and behaviour covering items such as conflicts of interest, equality, diversity and inclusion, anti-bullying and harassment, and anti-bribery. The Conduct Committee, chaired by the Vice-President for Committee Coordination, oversees the Code and its implementation.

INTERNAL CONTROL

Finance Committee

The Finance Committee is mandated by and reports to the Trustee Board on the following issues:

- Setting a budget prior to each financial year for approval by the Trustee Board.
- Appointing and monitoring the performance of independent investment advisers.
- Approving authorised signatories and setting limits on delegated financial authorities.
- Monitoring financial performance against budget.
- Reviewing the reserves policy annually.
- Ensuring that accounting principles of UK GAAP are followed.

Detailed management accounts are prepared monthly within 10 working days of the month end and submitted six times a year to the Finance Committee. Summarised accounts are submitted at each Trustee Board meeting.

The Finance Committee meets at least six times during each financial year. Included in the items considered by the Committee during the year was the allocation of investments and the performance of RAE Trading Limited.

Audit and Risk Committee

The Audit and Risk Committee is mandated by and reports to the Trustee Board on the following issues:

- The effectiveness and development of the Academy's risk management policy and processes and compliance with these.
- The review of the Academy's main risks and their management, particularly strategic risks and control processes concerns, and assessment of the level of assurance on the controls in place.
- The audit and review of the Academy's activities, assessing compliance with and effectiveness of controls, policies and processes.
- The review of significant projects, programmes and other activities to ensure that suitable contracts are in place and that the financial, operational and risk management is appropriate.
- Recommendations on the appointment, reappointment and removal of the external auditors.
- The review of the external auditor's findings and in particular any problems, reservations and observations arising during the audit.

The Audit and Risk Committee meets at least four times during each financial year. Included in the items considered by the Committee during the year were the review of the external audit findings, oversight of digital programmes, the Corporate Risk Register, and the results of internal audit assignments.

Fundraising statement

Section 162a of the Charities Act 2011 requires charities to make a statement regarding fundraising activities. Although the Academy does not undertake widespread fundraising from the general public, the legislation defines fundraising as "soliciting or otherwise procuring money or other property for charitable purposes". Such amounts receivable are presented in the Academy's accounts as 'voluntary income' and include legacies and grants. The day-to-day management of all income generation is delegated to the executive leadership team, who are accountable to the Trustees.

The charity adheres to the Chartered Institute of Fundraising Code of Fundraising Practice, which outlines standards expected of all charitable fundraising organisations in the UK.

The Academy has received no complaints in relation to fundraising activities. Its terms of employment require staff to behave reasonably at all times.

Grant-making policy

The grant and award programmes are run by committees or steering groups of Fellows of the Academy, and

where appropriate other experts, chosen based on their experience and expertise. Fellows of the Academy offer their time freely; no remuneration was paid in the year beyond the reimbursement of reasonable expenses.

There is a policy of strict impartiality and no Fellow may participate in a group/award decision if there is a conflict of interest.

Grant awardees are issued with agreements and progress is monitored and recorded utilising a grant management system.

Remuneration policy

The Academy's policy is to pay staff salaries at the market mid-point. Salaries are reviewed in alternate years following a market benchmarking exercise conducted by an independent consultancy. The last independent review was undertaken during 2024 to inform the salary review implemented with effect from 1 April 2025.

The remuneration of the Chief Executive, Chief Operating Officer, Executive Director Programmes, and directors is set annually by the Remuneration Committee. In setting appropriate levels of senior management pay, the Remuneration Committee considered the skills, experience and competencies required for each role, and the remuneration level for those roles in sectors where suitable candidates would be found.

Executive leadership team

Day-to-day management of the Academy is the responsibility of the Chief Executive who, with the Chief Operating Officer, Executive Director Programmes and two directors, comprise the executive leadership team listed below, which meets regularly. Strategy is set by the Trustee Board, and implemented by the executive leadership team, with oversight provided by Academy committees.

The executive leadership team who served during the period of the report are as follows:

Chief Executive | Dame Tamara Finkelstein DCB (appointed November 2025)
Chief Executive | Dame Hayaatun Sillem DBE (retired December 2025)
Chief Operating Officer | Cecilia Harvey (appointed October 2025)
Chief Operating Officer | Chris Boyle (retired December 2025)
Executive Director, Product | Dr Andrew Clark
Director, Policy and International | Dr Nick Starkey
Director, Communications and Engagement | Joanna Trigg

Trustees' responsibilities

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and regulations.

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 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
- observe the methods and principles in the applicable Charities SORP
- 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 charity 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 Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and the provisions of the Royal Charter. 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.

Financial statements are published on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the charity's website is the responsibility of the trustees. The trustees' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Approved by the Trustees 13 July 2026 and signed on their behalf on 10 August 2026 by:



Sir John Lazar CBE FREng
President



David Eyton CBE FREng

Chair of the Finance Committee

Independent Auditor's Report to the Trustees of the Royal Academy of Engineering

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS: OPINION

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Charity's affairs as at 31 March 2026 and of the Group's incoming resources and application of resources, and the Group's cash flows 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 Charities Act 2011.

We have audited the financial statements of the Royal Academy of Engineering ("the Parent Charity") and its subsidiaries ("the Group") for the year ended 31 March 2026 which comprise the following:

Group	Parent Charity
Consolidated statement of financial activities	
Balance sheet	Balance sheet
Consolidated statement of cash flows	
Notes 1 to 19 to the consolidated financial statements	Notes 1 to 19 to the Charity financial statements
a summary of significant accounting policies.	

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remain independent of the Group and the Parent Charity in accordance with the ethical requirements 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.

CONCLUSIONS RELATED 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 Group and the Parent Charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Group and the Parent Charity's ability to continue as a going concern.

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

OPINION ON OTHER MATTER

In our opinion, in all material respects, the Core and Investment in Research Talent Funding grant payments received from the Department for Science, Innovation and Technology ("DSIT") have been applied for the purposes set out in the grant letter and in accordance with the terms and conditions of the grant.

OTHER INFORMATION

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report and accounts, 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 there is 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.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion;

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is inconsistent in any material respect with the financial statements; or
- adequate accounting records have not been kept by the Parent Charity; or
- the Parent Charity financial statements are not in agreement with the accounting records and returns; 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, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

We have been appointed as auditor under section 151 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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.

However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the Charity and management.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Non-compliance with laws and regulations

Based on:

- Our understanding of the Group and the sector in which it operates;
- Discussion with management, those charged with governance and the Audit and Risk Committee; and
- Obtaining and understanding of the Group's policies and procedures regarding
- compliance with laws and regulations

we considered the significant laws and regulations to be the relevant Charities Acts and the applicable accounting framework.

The Group is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be relevant tax legalisation, employment law, data protection and fundraising regulations.

Our procedures in respect of the above included:

- Enquires of management, those charged with governance and the Audit and Risk Committee whether there were any litigations, claims or non-compliance with laws and regulations;
- Review of minutes of meetings of those charged with governance, the Audit and Risk Committee and the Finance Committee for any instances of non-compliance with laws and regulations;
- Review of correspondence with regulatory and tax authorities for any instances of non-compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation; and
- Review of legal expenditure accounts to understand the nature of expenditure incurred.

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management, the Audit and Risk Committee and Internal Audit regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Group's policies and procedures relating to:
  - Detecting and responding to the risks of fraud; and
  - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meetings of the Trustee Board, the Audit and Risk Committee and the Finance Committee for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements; and
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.

Based on our risk assessment, we considered the areas most susceptible to fraud to be management override of control and significant accounting estimates, being the valuation of non-listed investments.

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year, which met defined risk criteria, by agreeing to supporting documentation;
- Assessing significant estimates made by management for bias, including the valuation of unlisted investments by considering the basis of the estimation and input to the calculation; and
- Enquiries of third parties where information has been used by the group in preparation of the financial statements, particularly including investment manager confirmations of year end valuations and investment holdings.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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

Use of our report

This report is made solely to the Charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the Charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charity and the Charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

BDO LLP is eligible for appointment

DocuSigned by:
BDO LLP
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BDO LLP, statutory auditor
London, UK
Date 22 August 2026

as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Consolidated statement of financial activities

Year Ended 31 March 2026	Notes	Unrestricted funds 2026 £'000	Restricted funds 2026 £'000	Totals 31 March 2026 £'000	Unrestricted funds 2025 £'000	Restricted funds 2025 £'000	Totals 31 March 2025 £'000
Income and endowments from:							
Donations and legacies	2	280	365	645	589	489	1,078
Charitable activities	3,4,5	–	51,960	51,960	–	62,560	62,560
Other trading activity	6a	1,721	–	1,721	1,590	–	1,590
Investments	6	910	5,799	6,709	968	5,609	6,577
Total income		**2,911**	**58,124**	**61,035**	**3,147**	**68,658**	**71,805**
Expenditure on:							
Raising funds		1,925	518	2,443	1,889	323	2,212
Charitable activities	7	1,242	58,358	59,600	972	64,488	65,460
Other	8	68	100	168	70	63	133
Total expenditure		**3,235**	**58,976**	**62,211**	**2,931**	**64,874**	**67,805**
Net gains/(losses) on investment	11	1,130	8,457	9,587	(435)	682	247
Net income/(expenditure)		**806**	**7,605**	**8,411**	**(219)**	**4,466**	**4,247**
Transfers between funds	16	**324**	**(324)**	**–**	**314**	**(314)**	**–**
Net movement in funds		1,130	7,281	8,411	95	4,152	4,247
Fund balances brought forward 1 April		35,150	189,240	224,390	35,055	185,088	220,143
Fund balances carried forward 31 March	16,17	36,280	196,521	232,801	35,150	189,240	224,390

All the above results are derived from continuing activities. There are no gains and losses other than those stated above.

The notes on pages 64 to 78 form part of theses financial statements.

Balance sheets

At 31 March 2026		Group		Charity	
	Notes	2026 £'000	2025 £'000	2026 £'000	2025 £'000
Tangible fixed assets	10	25,136	24,788	25,136	24,788
Investments	11	201,659	201,328	175,601	176,481
Total fixed assets		**226,795**	**226,116**	**200,737**	**201,269**
Current assets:					
Debtors	12	13,954	13,809	14,250	14,200
Stock	13	2	2	2	2
Investments	11	10,211	–	10,211	–
Short term deposits		7,074	5,119	6,879	4,861
Cash at bank		2,422	3,718	1,494	2,815
		33,663	**22,648**	**32,836**	**21,878**
Liabilities					
Creditors (amounts falling due within one year)	14a	(27,657)	(12,874)	(26,737)	(12,121)
Net current assets		**6,006**	**9,774**	**6,099**	**9,757**
Total assets less current liabilities		232,801	235,890	206,836	211,026
Creditors (amounts falling due beyond one year)	14c	–	(11,500)	–	(11,500)
Total net assets		**232,801**	**224,390**	**206,836**	**199,526**
The funds of the charity:					
Restricted income funds	16	196,521	189,240	170,364	164,101
Unrestricted income funds					
Designated Funds		4,582	5,356	4,582	5,356
General fund		31,698	29,794	31,890	30,069
Total unrestricted funds		36,280	35,150	36,472	35,425
Total charitable funds		**232,801**	**224,390**	**206,836**	**199,526**

The notes on pages 64 to 78 form part of theses financial statements.

These financial statements were approved and authorised for issue by the President and Chair of the Finance Committee under delegated authority from the Trustee Board.

Approved by the Trustees 13 July 2026 and signed on their behalf on 10 August 2026 by:

Sir John Lazar CBE FREng,
President

David Eyton CBE FREng,
Chair of the Finance Committee

Consolidated statement of cash flows

Year Ended 31 March 2026	2026	2025
	£'000	£'000
Cash flows from operating activities:		
Net cash expended by operating activities	(3,611)	(4,394)
Cash flows from investing activities:		
Dividends, interest and rents from investments	6,709	6,577
Purchase of property, plants and equipment	(1,477)	(582)
Transfer of fixed asset investments to current assets	10,221	-
Proceeds from the sale of investments	17,644	173,909
Purchase of investments	(18,606)	(170,786)
Net cash provided/(expended) by investing activities	14,481	9,118
Change in cash and cash equivalents in the reporting period	10,870	4,724
Cash and cash equivalents at 1 April	8,837	4,113
Cash and cash equivalents at 31 March	19,707	8,837

Reconciliation of net income to net cash flow used in operating activities		
Net income for the reporting periods (as per the statement of financial activities)	8,411	4,247
Net gains on investments	(9,587)	(247)
Adjustments for:		
Depreciation charges	1,136	1,120
Dividends, interest and rents from investments	(6,709)	(6,577)
(Increase) in debtors	(145)	(6,097)
Increase in creditors	3,283	3,160
Net cash used in operating activities	(3,611)	(4,394)

Analysis of cash and cash equivalents		
Cash in hand	2,422	3,718
Short-term investments	10,211	-
Notice deposits	7,074	5,119
Total cash and cash equivalents	19,707	8,837

Consolidated statement of cash flows (continued)

Analysis of changes in net debt	2025	Cash flows	2026
	£'000	£'000	£'000
Cash and cash equivalents			
Cash in hand	3,718	(1,296)	2,422
Short-term investments	-	10,221	10,221
Notice deposits	5,119	1,955	7,074
	8,837	10,870	19.707
Borrowings			
Debt due within one year	–	(11,500)	(11,500)
Debt due after one year	(11,500)	11,500	–
	(11,500)	–	(11,500)
Total	(2,663)	10,870	8,207

The notes on pages 64 to 78 form part of theses financial statements.

Notes to the accounts

FOR THE YEAR ENDED 31 MARCH 2026

NOTE 1 – ACCOUNTING POLICIES

(a) Basis of preparation of the accounts

The annual report, incorporating the financial statements for the year ended 31 March 2026, has been prepared in accordance with the Academy's Royal Charter, and in compliance Accounting and Reporting by Charities: Statement of Recommended Practice 2019 applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) – (Charities SORP (FRS102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102). The Academy meets the definition of public benefit entity under FRS102.

(b) Historical cost convention

The financial statements have been prepared under the historical cost convention, as modified for the inclusion of investment assets at market value.

(c) Consolidation

The financial statements consolidate the results of the Academy and its own wholly owned subsidiaries, RAE Trading Limited and the Queen Elizabeth Prize for Engineering Foundation, on a line-by-line basis. Transactions and balances between the Academy and its subsidiaries have been eliminated from the consolidated financial statements. Balances between the Academy and the subsidiaries are disclosed in the notes of the Academy's balance sheet. A separate statement of Financial Activities and Income and Expenditure Account for the Academy has not been presented because the Academy has taken advantage of the exemption afforded by FRS 102.

(d) Income

The specific bases for accounting for income are described below. In general terms, income is accounted for on a receivable basis, gross of related expenditure. Income is only recognised where there is evidence of entitlement, where it is probable that income will be received and recognised only when income can be measured.

- Grants receivable are recognised when entitlement to the grant is approved and communicated.
- Gifts and donations are included in full in the statement of financial activities when receivable.
- For legacies, entitlements is taken as the earlier of the date on which either: the Academy is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Academy that a distribution will be made; or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the Academy has been notified to the executor's intention to make a distribution.
- Income from sales of goods or contracts for services is recognised when the goods and services are delivered.
- Investment income is included in the Statement of Financial Activities in the year in which it is receivable.
- Other income consists of subscriptions which are recognised on an accruals basis.

(e) Donated services and facilities

Donated professional services and donated facilities are recognised as income when the Academy has control over the item, any condition associated with the donated item has been met, the receipt of economic benefit from the use by the Academy of the item is probable and that economic benefit can be measured reliably. On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the Academy which is the amount the Academy would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount in then recognised in expenditure in the period of receipt.

(f) Expenditure

Expenditure is recognised on an accruals basis, gross of any related income. Costs are allocated to activities as described below. Indirect costs are apportioned to activities on a basis consistent with the use of the resources.

- Costs of raising funds comprise direct costs and expense of staff involved with fundraising, fees paid to investment fund managers, and trading costs.
- Charitable activities – grants. Grants payable are charged in the year in which the commitments to pay the grants are made.
- Charitable activities – other. Other charitable expenditure includes all direct expenditure, including irrecoverable VAT and staff costs, which is directly attributable to activities. Indirect costs are allocated to each charitable activity based on the number of staff directly supporting the activity.

(g) Grants Payable

Grants payable are recognised when entitlement to the grant is approved and communicated, and also include returned grants that are accounted for on receipt.

(h) Support Costs

Support costs are those functions that assist the work of the Academy and mainly comprise of staff costs and overheads. Support costs, which include irrecoverable VAT, are assigned to the Academy's charitable objectives in line with the direct expenditure under each heading.

(i) Operating leases

Rental costs under operating leases are charged to the Statement of Financial Activities evenly over the term of the lease.

(j) Tangible fixed assets

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost of each asset over its expected useful life, as follows:

- Office fixtures and fittings – over five years
- Computer equipment – over three years
- Leasehold cost – over term of lease
- Carlton House Terrace – over the term of lease

(k) Investments

Listed investments are included in the financial statements at bid market value at the balance sheet date. Gains/losses on disposal of investments and revaluation of investments are recognised in the year of gain or loss and are allocated to the funds to which the investments relate. Investments in subsidiaries are included in the financial statements at cost. Investment manager fees are recognised as raising funds expenditure.

(l) Pensions

The Academy operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Academy in independently administered funds. The pensions cost charge represents contributions payable to the scheme in the year. The Academy has no liability under the scheme other than the payment of those contributions.

(m) Funds

General funds are those that are available for use at the Trustee Board's discretion in the furtherance of the Academy's objectives. Designated funds are unrestricted funds set aside for unrestricted purposes and which would otherwise form part of general funds. Details of the nature and purpose of each designated fund are set out in note 16. Restricted funds are funds that are subject to restrictions imposed by donors and are applied in accordance with these restrictions. Details of the nature and purpose of each restricted fund are set out in note 16.

(n) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

(o) Stock

Stock is included at the lower of cost or net realisable value.

(p) Cash and cash equivalents at bank

Cash and cash equivalents at bank includes cash and short term highly liquid investments obtainable within 3 months.

(q) Creditors

Creditors are recognised where the Academy has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any trade discounts due.

(r) Financial instruments

The Academy only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

(s) Corporation taxation

The Academy is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objectives.

(t) Going Concern

No material uncertainties that may cast significant doubt about the ability of the charity to continue as a going concern have been identified by the Trustees and therefore these accounts have been prepared on a going concern basis.

Royal Academy of Engineering's senior leadership team monitor the Group and Charity's cash position on a monthly basis by looking at the cash flow forecast for the next twelve months, broken down by month. This forecast, combined with an assessment of the future reserves position, forms the basis of our assessment of going concern. It has been stress tested to reflect a number of possible scenarios. In doing so, we have particularly considered the impact of a global economic recession that results austerity measures and the reduction of the Charity's government funding being reduced over and above our key risk assumptions (set out in the report of Trustee Board).

Based on these forecasts, and the Group's net asset position of £232.8 million, which is comprised primarily of cash and investments, we believe that the going concern basis of accounting remains appropriate for our accounts.

(u) Critical accounting judgements and estimations

In the application of the accounting policies, which are described in this note, the Trustees are required to make judgments and assumptions leading to financial estimates about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The assumptions and associated estimates are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Notes to the accounts

Year Ended 31 March 2026	Notes	Unrestricted funds	Restricted funds	Totals 31 March 2026	Unrestricted funds	Restricted funds	Totals 31 March 2025
		£'000	£'000	£'000	£'000	£'000	£'000
Note 2 – Donations and legacies							
ERA Foundation Enterprise Fellowships		63	–	63	63	–	63
This is Engineering		–	365	365	–	486	486
Prince Philip Fund		217	–	217	526	–	526
Queen Elizabeth Prize for Engineering		–	–	–	–	3	3
Total donations and legacies		**280**	**365**	**645**	**589**	**489**	**1,078**
Note 3 – Grants							
Government grant	3	–	39,973	39,973	–	42,874	42,874
Note 4 – Government Grant							
Grant was expended on:							
Programme expenditure		–	37,043	37,043	–	39,944	39,944
Costs of managing programmes		–	2,930	2,930	–	2,930	2,930
		–	39,973	39,973	–	42,874	42,874
Note 5 – Other grants and contracts							
International Science Partnerships Fund		–	4,275	4,275	–	7,928	7,928
Global Talent Visas		–	1,648	1,648	–	1,169	1,169
UK Intelligence Community (IC) Postdoctoral Research Fellowships		–	1,033	1,033	–	1,803	1,803
End of engineered life		–	607	607	–	458	458
Global Disability Innovation Hub		–	534	534	–	132	132
Engineering skills where they are most needed		–	510	510	–	535	535
Leverhulme Fellowships		–	502	502	–	265	265
Science and Technology Venture Capital Fellowships		–	487	487	–	199	199
Sainsbury Management Fellowships		–	447	447	–	396	396
Other awards and contracts		–	381	381	–	274	274
1851 Royal Commission Enterprise Fellowships		–	283	283	–	334	334
Welsh Valleys Bursaries Scheme		–	254	254	–	160	160
Decarbonised Grid Policy Delivery Programme		–	215	215	–	–	–
Programme for safer complex industrial and engineered systems		–	200	200	–	–	–
Research Ready Internships		–	178	178	–	989	989
Tactical fund		–	145	145	–	–	–
Africa Programmes		–	111	111	–	116	116
Enterprise Hub		–	82	82	–	58	58
Engineering FE		-	40	40	-	169	169
MacRobert Award		–	34	34	–	27	27
Offshore Wind Project		–	30	30	–	–	–
Africa Prize for Engineering Innovation		–	24	24	–	18	18
The Motorsport MSc Scholarships		–	5	5	–	417	417
Newton Fund		–	(18)	(18)	–	(39)	(39)
Global Challenge Research Fund		–	(20)	(20)	–	2,872	2,872
Amazon Future Engineer Bursaries		–	–	–	–	1,241	1,241
United Nations Environment Programme		–	–	–	–	101	101
RAEng/EPSRC Research Fellowships		–	–	–	–	59	59
Engineering Leadership Scheme - Buro Happold		–	–	–	–	5	5
		–	11,987	11,987	–	19,686	19,686
Total charitable activities		-	**51,960**	**51,960**	**–**	**62,560**	**62,560**
Note 6 – Investment income							
Dividends and income from equity investments and fixed interest bonds		859	5,797	6,656	851	5,603	6,454
Interest on bank deposits		51	2	53	117	6	123
Total investment income		**910**	**5,799**	**6,709**	**968**	**5,609**	**6,577**
Note 6a – Other trading activities							
Sponsorship and events		281	–	281	156	–	156
Subscription income		394	–	394	400	–	400
Advertising income and merchandising		2	–	2	2	–	2
Conferencing business		1,044	–	1,044	1,032	–	1,032
Total other trading activities		**1,721**	**–**	**1,721**	**1,590**	**–**	**1,590**

Notes to the accounts

	Talent and diversity	Innovation	Policy and engagement	Queen Elizabeth Prize for Engineering Foundation	Total 31 March 2026	Total 31 March 2025
	£'000	£'000	£'000	£'000	£'000	£'000
Note 7 – Charitable expenditure						
Unrestricted						
Charitable activities	9	14	258	–	281	265
Charitable grants	–	86	–	–	86	105
Direct salaries	–	–	472	–	472	514
Support costs	4	48	351	–	403	88
	13	148	1,081	–	1,242	972
Restricted						
Charitable activities	1,658	5,599	1,343	1,295	9,895	13,154
Charitable grants	2,991	26,636	460	–	30,087	34,051
Direct salaries	2,283	4,768	4,353	270	11,674	10,933
Support costs	914	4,877	811	100	6,702	6,350
	7,846	41,880	6,967	1,665	58,358	64,488
Total charitable activities	**7,859**	**42,028**	**8,048**	**1,665**	**59,600**	**65,460**

Total support costs of £7,105,000 are made up of indirect staff costs totalling £2,592,000 and accommodation costs and overheads totalling £4,513,000

2025 Total charitable activities	**8,422**	**48,052**	**7,354**	**1,632**	**65,460**

In 2025 £329,000 of charitable activities expenditure related to unrestricted funds and £58,440,000 related to restricted funds.

	2026	2025
	£'000	£'000
Note 8 – Other costs		
Auditor's fees:		
- Audit	78	64
- Other Services	13	8
Legal and professional fees	77	61
	168	133

£5,000 was charged to the Academy in relation to operating leases.

Note 9 – Staff and pensions costs		
	2026 £'000	**2025 £'000**
Gross salaries	12,309	11,842
Employer's National Insurance less NI Allowance	1,700	1,337
Benefits in kind	125	103
Pension charge	1,328	1,268
Recruitment costs	184	104
Temporary staff costs	54	148
Training costs	110	112
Other costs	183	175
	15,993	15,089

Average number of staff in the year by activity	Number	Number
- Engineering and education	33	31
- Programmes and fellowship	108	101
- Policy and external affairs	51	55
- Executive, development, finance and administration	55	55
- Queen Elizabeth Prize for Engineering Foundation	5	5
	251	247

No remuneration is paid to the President or members of the Trustee Board of the Academy. Travelling expenses to attend Trustee Board meetings were nil in 2025/26 (2024/25 nil).

Ex gratia payments of £5,000 were made in 2025/26 (2024/25 £57,000)

The emoluments of higher paid staff within the following scales were:	Number	Number
£60,000–£70,000	11	9
£70,001–£80,000	9	12
£80,001–£90,000	8	8
£90,001–£100,000	6	4
£100,001–£110,000	2	3
£110,001–£120,000	1	1
£120,001–£130,000	–	–
£130,001–£140,000	2	1
£140,001–£150,000	2	2
£190,001–£200,000	–	–
£200,001–£210,000	1	1

Emoluments include salary, bonuses and benefits in kind but exclude pension scheme contributions. Staff numbers are based on the full-time equivalent.

The executive leadership team comprises a chief executive, chief operating officer, executive director product, and two directors (2025/26 two directors), who manage the day-to-day operations of the charity. Their aggregate remuneration in the year was £803,000 (2024/25 £745,000).

Note: There were two resignations and two appointments among the executive leadership team during the year.

Note 9(b) – Pensions

The Academy operates a defined contribution pension scheme for staff that joined after 1 January 2000 that is compliant with auto-enrolment legislation. The assets of the scheme are held separately from those of the Academy in independently administered funds. The Academy has no liability under the scheme other than the payment of contributions.

Notes to the accounts

Note 10	Computer systems and equipment	Office fixtures and fittings	Leasehold	Carlton House Terrace Improvement	Total
	£'000	£'000	£'000	£'000	£'000
Tangible fixed assets (group and charity)					
Cost					
At 1 April 2025	3,428	2,925	12,510	13,997	32,860
Additions	701	779	–	–	1,480
Disposals	(262)	(334)	–		(596)
At 31 March 2026	**3,867**	**3,370**	**12,510**	**13,997**	**33,744**
Depreciation					
At 1 April 2025	(2,688)	(1,773)	(1,833)	(1,778)	(8,072)
Disposals	261	329			590
Charge for the year	(519)	(390)	(91)	(126)	(1,126)
At 31 March 2026	**(2,946)**	**(1,834)**	**(1,924)**	**(1,904)**	**(8,608)**
Net book value					
At 31 March 2026	**921**	**1,536**	**10,586**	**12,093**	**25,136**
At 31 March 2025	740	1,152	10,677	12,219	24,788

All assets are used for charitable purposes

Medal collections

- The Sir Denis Rooke Medals Collection are on loan from the family of Sir Denis Rooke, who served as Academy President from 1986-1991. The collection includes many of the awards Sir Denis received during his distinguished career as a pioneer of the UK's gas industry.
- The Whittle Medals Collection are on loan from the family of Sir Frank Whittle, who patented the jet propulsion engine in 1930. The medals relate to his achievements in engineering and celebrate his successes.
- The Warner Medals Collection was a personal gift by Professor Sir Frederick Warner after his death in 2010. The medals relate to his achievements in engineering and celebrate his successes.

These medal collections are not held on the balance sheet, the Trustees consider that it is not practicable to obtain a valuation, but are satisfied that the value of the medals collections is not material.

Note 11 – Investments (group and charity)	2026 General fund (Charity)	2026 Restricted income funds (Charity)	2026 Designated income funds (Charity)	2026 Total funds (Charity)	2026 Restricted fund (Subsidiary)	2026 Total Portfolio (Group)
	£'000	£'000	£'000	£'000	£'000	£'000
Market value at 1 April	26,380	148,294	1,807	176,481	24,847	201,328
Add acquisitions at cost	1,023	13,633	–	14,656	3,950	18,606
Less: sales proceeds	(1,274)	(11,028)	–	(12,302)	(5,349)	(17,651)
Net investment gains for the year	1,131	5,718	128	6,977	2,610	9,587
Market value at 31 March	27,260	156,617	1,935	185,812	26,058	211,870

Investments in the general fund (charity) consist of UK government gilts segregated to cover the loan liability repayable in February 2027, the remaining portfolio is placed in securities listed on global stock markets (67% of portfolio) and fixed interest bonds/ diversified assets (33% of portfolio).

The restricted income funds (charity) consists of the Green Future Fellowships fund placed in fixed interest bonds/ diversified assets (74% of portfolio) and securities listed on global stock markets (26% of portfolio).

The designated income funds (charity) consists of funds invested in line with the general fund (charity) investment strategy to support the MacRobert Award and funds invested in securities listed on global stock markets to support the Colin Campbell Mitchell Award.

Investments in the restricted fund (subsidiary) consists of funds to support the Queen Elizabeth Prize for Engineering placed in securities listed on global stock markets (66% of portfolio) and fixed interest bonds/ diversified assets (34% of portfolio).

		2026 Listed	2026 Unlisted	2026 Group	2025 Listed	2025 Unlisted	2025 Group
		£'000	£'000	£'000	£'000	£'000	£'000
Fixed Assets	Equity Securities	76,512	381	76,893	69,197	–	69,197
Fixed Assets	Debt Securities	119,872	798	120,670	127,483	–	127,483
Fixed Assets	Infrastructure and property funds	1,196	641	1,837	1,198	700	1,898
Fixed Assets	Other Investments	774	–	774	535	–	535
Fixed Assets	Money Market Instruments	–	1,485	1,485	205	2,010	2,215
		198,354	3,305	201,659	198,618	2,710	201,328
Current Assets	Debt Securities	10,211	–	10,211	–	–	–
		208,565	3,305	211,870	198,618	2,710	201,328

		Group		Charity	
		2026	2025	2026	2025
	Notes	£'000	£'000	£'000	£'000
Note 12 – Debtors					
Grants and sponsorship receivable		10,635	10,139	10,635	10,139
Prepayments		404	295	404	295
Other debtors		2,915	3,375	2,788	3,209
Amounts due from subsidiary undertakings		–	–	423	557
		13,954	**13,809**	**14,250**	**14,200**

Note 13 – Stocks (group and charity)				
Publications, Academy ties, presentation plates and medals	2	2	2	2

Notes to the accounts

		Group		Charity	
		2026	2025	2026	2025
	Notes	£'000	£'000	£'000	£'000
Note 14a – Creditors (amount falling due within one year)					
Committed grants and prizes		(12,906)	(10,189)	(12,906)	(10,189)
Bank loan		(11,500)	–	(11,500)	–
Deferred income	14b	(394)	(664)	(394)	(664)
Subscriptions in advance		(255)	(247)	(255)	(247)
Other creditors		(2,196)	(1,399)	(1,276)	(620)
Amounts due to subsidiary undertakings		–	–	–	(26)
Social security and other costs		(406)	(375)	(406)	(375)
		(27,657)	**(12,874)**	**(26,737)**	**(12,121)**
		(27,657)	(12,874)	(26,737)	(12,121)
Deferred income comprises of advance funding for the Connecting STEM Teachers Programme, Enterprise Fellowships and Research Fellowships.					
Balance at 1 April		(664)	(557)	(664)	(557)
Amount released to income earned from charitable activities		650	414	650	414
Amount deferred in year		(380)	(450)	(380)	(450)
Balance as at 31 March		**(394)**	**(664)**	**(394)**	**(664)**

**The Academy has a secured loan of £11.5 million with Aviva, the capital sum is repayable February 2027, an interest rate of 3.11% fixed being applied. The loan is secured against 3 Carlton House Terrace which was valued at £32.25m on 29th January 2025. There is currently a 36% loan to value ratio. There is a maximum 45% loan to value ratio set out in the terms of the loan.*

Note 15 – Future commitments				
Total minimum commitments under operating leases				
Rent				
not later than one year	285	240	285	240
	285	**240**	**285**	**240**

Note 16 – Statement of changes in funds

(a) Restricted funds

The Academy's restricted funds consist of the monies received under grants, corporate donations and contracts to support specific schemes as follows:

- **Department for Science, Innovation and Technology (DSIT)** provides a government grant to fund programmes in the areas of engineering research and promoting the public understanding of engineering.
- **Green Future Fellowships** the government has provided funding of £150 million to support Green Future Fellowships for at least 50 leading engineers and scientists to develop practical, breakthrough green technologies and climate changes solutions.
- **International Science Partnerships Fund (ISPF)** is designed to enable potential and foster prosperity. It supports UK researchers and innovators to work with international partners on some of the most pressing themes of our time.
- **Decarbonised Grid Policy Delivery Programme** is a policy programme funded by the Gatsby Foundation considering how we can make the UK grid run more efficiently.
- **End of engineered life** is a programme funded by the Lloyd's Register Foundation to improve safety in waste and decommissioning for industrial and engineered systems, delivered through Engineering X.
- **Programme for safer complex industrial and engineered systems** is a programme funded by the Lloyd's Register Foundation, delivered through Engineering X.
- **Engineering skills where they are most needed** is a programme funded by the Lloyd's Register Foundation, delivered through Engineering X.
- **Gatsby Charitable Foundation** supports Sainsbury Management Fellowships.
- **RAEng/EPSRC Research Fellowships** are administered by the Academy and funded jointly by the Academy and the Engineering and Physical Sciences Research Council.
- **Leverhulme Trust** supports Senior Research Fellowships of one-year duration.
- **Engineering Leaders Scholarships** assist undergraduate engineering students to realise their full potential and achieve their career goals.
- **Connecting STEM Teachers programme** is building a national network of support for STEM leaders in secondary schools and is supported by Shell, The Arthur Clements Fund, BAE Systems, Boeing, the estate of the late Mr John Gozzard, and the Helsington Foundation.
- **Further Education Fund** is made up of various donations that are used to support the development of new, and the extension of existing, programmes in further education.
- **The Enterprise Hub** supports exceptional entrepreneurs with high-potential ideas to build bold and disruptive enterprises that have a positive impact on society.
- **Africa Prize for Engineering Innovation** aims to stimulate, celebrate and reward innovation and entrepreneurship in sub-Saharan Africa.
- **Colin Campbell Mitchell Award** is funded by the Ms Morag Campbell Nelder Legacy and is awarded to an individual or group of outstanding engineers.
- **Newton Fund** schemes promote research and innovation intended to have a direct and long-term impact on the economic development and social welfare of countries participating with the UK in the Newton Fund.
- **This is Engineering**, previously known as the Engineering Talent Project, is a multi-year campaign to encourage more young people from all backgrounds to consider a career in engineering by changing perceptions of the profession.
- **Enriching Engineering Education Programme** is centred on a combination of two way secondments and collaborative workshops. These secondments and workshops lead to improved industry-academia links and result in wide-ranging benefits for both parties.
- **Other awards** and contracts are donations and contracts by a number of companies for specific programmes each year.
- **Global Challenges Research Fund** is part of a £1.5 billion UK government fund to support cutting-edge research that addresses the challenges faced by developing countries through collaborative research and innovation, and research and innovation capacity building within both the UK and developing countries.
- **UK Intelligence Community (IC) Postdoctoral Research Fellowships** are offered by the Government Office for Science with the Academy acting as academic engagement partner. They support outstanding early- career science or engineering researchers to promote unclassified basic research in areas of interest to the intelligence, security and defence community.
- **Northern Ireland Engineering Education Programme** is working with schools and colleges across Northern Ireland to encourage more young people, particularly young women and those from socially disadvantaged backgrounds and other under-represented groups, to progress towards careers in engineering.
- **Amazon Future Engineer Bursaries** is a national bursary programme aimed at supporting women A-level and BTEC/OCR (or Scottish equivalent) students from low-income households who wish to study computer science or related engineering courses at UK universities.
- **Connecting STEM Teachers Social Mobility Pilot** is an evaluated two-year pilot project supporting schools to run action research projects to identify and tackle problems in their schools that they see as barriers that disadvantaged groups of young people face in accessing STEM education and continuing onto STEM careers.
- **Shott Scale Up Accelerator** focuses on leadership skills development and carefully tailored support designed in collaboration with industry experts and leading engineering and technology business leaders.
- **Frontiers** connects and empowers enthusiastic researchers, innovators and practitioners from the UK and around the world to work together on new ways to solve complex global challenges.
- **Africa Programmes** provide funding and training to individuals and institutions in Africa in order to strengthen the engineering profession and demonstrate the importance of engineering in improving quality of life and economic development.

(b) Designated funds

- **Strategic Development Fund** is used to deliver impactful charitable activities over the next five years and strengthen the Academy for the longer term.
- **The Capital Building Fund** has been used to create a base for the Academy's enterprise activities and develop 3 Carlton House Terrace into a national forum of engineering excellence.
- **The Prince Philip Fund** is used to enable us to respond to evolving challenges, drive impact across a wide range of engineering disciplines, and ensure resilience in a rapidly changing world, thereby honouring the legacy of our late founding Senior Fellow, HRH The Duke of Edinburgh.

Notes to the accounts

Note 16 Continued

	Balance at 1 April 2025	Income	Expenditure	Transfers between funds	Net investment gains	Balance at 31 March 2026
	£'000	£'000	£'000	£'000	£'000	£'000
Restricted funds						
Government grant	–	39,974	(39,974)	–	–	–
Green Future Fellowships	154,360	5,109	(3,037)	–	5,719	162,151
International Science Partnerships Fund	–	4,275	(4,275)	–	–	–
Decarbonised Grid Policy Delivery Programme	161	215	(180)	–	–	196
Tactical fund	–	145	(145)	–	–	–
End of engineered life	565	607	(277)	–	–	895
Programme for safer complex industrial and engineered systems	1,033	200	(360)	–	–	873
Engineering skills where they are most needed	252	510	(290)	–	–	472
Sainsbury Management Fellowships	–	447	(447)	–	–	–
Leverhulme Fellowships	–	502	(502)	–	–	–
Engineering Leaders Scholarships	177	–	–	–	–	177
Connecting STEM Teachers Social Mobility Pilot	12	–	–	–	–	12
Amazon Future Engineer Bursaries	1,396	–	(511)	–	–	885
Northern Ireland Engineering Education Programme	–	18	(18)	–	–	–
Sir Ralph Robins Scholarships	270	–	(31)	–	–	239
Welsh Valleys Bursaries Scheme	73	254	(261)	–	–	66
Engineering FE	227	40	(64)	–	–	203
Enterprise Hub	52	82	9	–	–	143
Shott Scale Up Accelerator	173	–	(119)	–	–	54
Africa Prize for Engineering Innovation	263	24	(10)	–	–	277
Colin Campbell-Mitchell Award	436	10	(23)	–	32	455
Newton Fund	–	(18)	18	–	–	–
This is Engineering	712	365	(395)	–	–	682
Enriching Engineering Education Programme	265	–	(5)	–	–	260
Research Ready Internships	683	178	(705)	–	–	156
Science and Technology Venture Capital Fellowships	–	487	(487)	–	–	–
Global Disability Innovation Hub	132	534	(575)	–	–	91
Offshore Wind Project	-	30	(30)	-	-	–
MacRobert Award	1,214	66	(93)	–	96	1,283
Other awards and contracts	75	363	(406)	–	–	32
1851 Royal Commission Enterprise Fellowships	34	283	(317)	–	–	–
Global Challenge Research Fund	–	(20)	20	–	–	–
Global Talent Visas	–	1,648	(1,648)	–	–	–
Wikipedia Project	45	–	–	–	–	45
UK Intelligence Community (IC) Postdoctoral Research Fellowships	1,276	1,033	(1,534)	–	–	775
Africa Programmes	238	111	(218)	–	–	131
The Motorsport MSc Scholarships	253	5	(255)	–	–	3
Queen Elizabeth Prize for Engineering	24,863	647	(1,831)	(324)	2,610	25,965
Total restricted funds	**189,240**	**58,124**	**(58,976)**	**(324)**	**8,457**	**196,521**
Designated funds						
Strategic Development Fund	1,802	–	–	(200)	–	1,602
Capital Building Fund	2,260	–	–	(574)	–	1,686
Prince Philip Fund	1,294	–	–	–	–	1,294
Ingenia Designated fund	–	2	(2)	–	–	–
Total designated funds	**5,356**	**2**	**(2)**	**(774)**	**–**	**4,582**
General fund	**29,794**	**2,964**	**(3,233)**	**1,098**	**1,130**	**31,753**
Total funds	**224,390**	**63,312**	**(62,212)**	**–**	**9,587**	**235,077**

The general fund deficit of £324,000 is the difference between income of £2,908,997 and expenditure of £3,232,99.

All other funds, other than the Queen Elizabeth Prize for Engineering, are funds of the parent charity.

Capital Building Fund transfer relates to fixed asset additions. Queen Elizabeth Prize for Engineering transfer relates to the management fee charged by the charitable parent.

Note 16 Continued (prior year note)

	Balance at 1 April 2024	Income	Expenditure	Transfers between funds	Net investment gains	Balance at 31 March 2025
	£'000	£'000	£'000	£'000	£'000	£'000
Restricted funds						
Government grant	–	42,875	(42,875)	–	–	–
Green Future Fellowships	150,423	4,931	(754)	–	(240)	154,360
International Science Partnerships Fund	–	7,928	(7,928)	–	–	–
Decarbonised Grid Policy Delivery Programme	611	–	(450)	–	–	161
D&I Charter	45	–	(45)	–	–	–
End of engineered life	584	458	(477)	–	–	565
Programme for safer complex industrial and engineered systems	1,512	–	(479)	–	–	1,033
Engineering skills where they are most needed	76	535	(359)	–	–	252
Sainsbury Management Fellowships	–	396	(396)	–	–	–
RAEng/EPSRC Research Fellowships	–	59	(59)	–	–	–
Leverhulme Fellowships	–	265	(265)	–	–	–
Engineering Leaders Scholarships	177	–	–	–	–	177

Notes to the accounts

Note 16 Continued (prior year note)

	Balance at 1 April 2024	Income	Expenditure	Transfers between funds	Net investment gains	Balance at 31 March 2025
	£'000	£'000	£'000	£'000	£'000	£'000
Connecting STEM Teachers Social Mobility Pilot	143	–	(131)	–	–	12
Amazon Future Engineer Bursaries	640	1,241	(485)	–	–	1,396
Northern Ireland Engineering Education Programme	40	26	(66)	–	–	–
Sir Ralph Robins Scholarships	294	–	(24)	–	–	270
Welsh Valleys Bursaries Scheme	29	160	(116)	–	–	73
Engineering FE	185	169	(127)	–	–	227
Enterprise Hub	130	58	(136)	–	–	52
Shott Scale Up Accelerator	328	–	(155)	–	–	173
Africa Prize for Engineering Innovation	265	18	(20)	–	–	263
Colin Campbell-Mitchell Award	461	2	(21)	–	(6)	436
Newton Fund	–	(39)	39	–	–	–
This is Engineering	607	486	(381)	–	–	712
This is Engineering - Schools Engagement	–	–	–	–	–	–
Enriching Engineering Education Programme	306	–	(41)	–	–	265
Research Ready Internships	–	989	(306)	–	–	683
Science and Technology Venture Capital Fellowships	–	199	(199)	–	–	–
Global Disability Innovation Hub	–	132	–	–	–	132
MacRobert Award	1,270	59	(88)	–	(27)	1,214
Other awards and contracts	80	349	(354)	–	–	75
1851 Royal Commission Enterprise Fellowships	15	334	(315)	–	–	34
Global Challenge Research Fund	–	2,872	(2,872)	–	–	–
Global Talent Visas	–	1,169	(1,169)	–	–	–
Wikipedia Project	47	–	(2)	–	–	45
UK Intelligence Community (IC) Postdoctoral Research Fellowships	1,160	1,803	(1,687)	–	–	1,276
Africa Programmes	171	116	(49)	–	–	238
The Motorsport MSc Scholarships	110	417	(274)	–	–	253
Engineering Leadership Scheme - Buro Happold	16	5	(21)	–	–	–
Queen Elizabeth Prize for Engineering	25,363	646	(1,787)	(314)	955	24,863
The Motorsport MSc Scholarships	9	257	(156)	–	–	110
Engineering Leadership Scheme - Buro Happold	18	–	(2)	–	–	16
Queen Elizabeth Prize for Engineering	24,856	798	(2,299)	(299)	2,307	25,363
Total restricted funds	**185,088**	**68,658**	**(64,874)**	**(314)**	**682**	**189,240**

Note 16 Continued (prior year note)

	Balance at 1 April 2024	Income	Expenditure	Transfers between funds	Net investment gains	Balance at 31 March 2025
	£'000	£'000	£'000	£'000	£'000	£'000
Designated funds						
Strategic Development Fund	1,548	–	–	254	–	1,802
Capital Building Fund	2,280	–	–	(20)	–	2,260
Prince Philip Fund	767	–	–	527	–	1,294
Ingenia Designated fund	–	2	(2)	–	–	–
Total designated funds	**4,595**	**2**	**(2)**	**761**	**–**	**5,356**
General fund	**30,460**	**3,145**	**(2,929)**	**(447)**	**(435)**	**29,794**
Total funds	**220,143**	**71,805**	**(67,805)**	**–**	**247**	**224,390**

The general fund surplus of £216,000 is the difference between income of £3,144,792 and expenditure of £2,928,792.

All other funds, other than the Queen Elizabeth Prize for Engineering, are funds of the parent charity.

Capital Building Fund transfer relates to fixed asset additions. Queen Elizabeth Prize for Engineering transfer relates to the management fee charged by the charitable parent.

Note 17 – Analysis of net assets between funds

	Tangible fixed assets	Investments	Current assets	Liabilities	Total net assets
	2026	2026	2026	2026	2026
	£'000	£'000	£'000	£'000	£'000
Restricted Funds	25,136	184,610	8,303	(19,307)	198,742
Special and designated funds	–	–	4,582	–	4,582
General funds	–	17,049	22,999	(8,350)	31,753
Total	25,136	201,659	33,663	(27,657)	235,077

Note 17 – Analysis of net assets between funds (prior year note)

	Tangible fixed assets	Investments	Current assets	Liabilities	Total net assets
	2025	2025	2025	2025	2025
	£'000	£'000	£'000	£'000	£'000
Restricted Funds	24,788	174,948	4,801	(15,297)	189,240
Special and designated funds	–	–	5,356	–	5,356
General funds	–	26,380	12,491	(9,077)	29,794
Total	24,788	201,328	22,648	(24,374)	224,390

Note 18 – Subsidiary activities

The Academy has one wholly owned subsidiary, RAE Trading Limited (registered company number 08038360) and a charitable subsidiary company, the Queen Elizabeth Prize for Engineering Foundation (registered charity number 1147743, registered company number 8077332). RAE Trading Limited was formed in April 2012 and manages a conferencing business at Prince Philip House; all available trading profits are donated to the charity via a qualifying charitable donation.

RAE Trading Limited and the Queen Elizabeth Prize for Engineering Foundation are registered in the UK and have the same year end date as the charity.

The Academy owns all 100 £1 shares in RAE Trading Limited.

The Queen Elizabeth Prize for Engineering Foundation was formed in May 2012 and advances the education of the public in the subject of engineering by awarding an annual high-profile and internationally recognised prize for engineering.

All activities have been consolidated on a line-by-line basis in the statement of financial activities and these results have been adjusted to eliminate income and expenditure relating to conferencing activities to the Academy and the Queen Elizabeth Prize for Engineering, and management fees payable to the Academy.

Notes to the accounts

Note 18 Continued

At 31 March 2026	RAE Trading Ltd		Queen Elizabeth Prize for Engineering Foundation	
	2026	**2025**	**2026**	**2025**
	£'000	**£'000**	**£'000**	**£'000**
Total income	1,433	1,471	647	646
Total expenditure	(1,221)	(1,197)	(2,155)	(2,101)
	212	274	(1,508)	(1,455)
Total investment gains	–	–	2,610	955
Net surplus/(deficit) before qualifying charitable donation	212	274	1,102	(500)
Qualifying charitable donation to Royal Academy of Engineering	(212)	(274)	–	–
Retained net surplus/deficit for the year	–	–	1,102	(500)
The aggregate of the assets and liabilities was:				
Assets	539	783	26,703	25,415
Liabilities	(327)	(509)	(738)	(552)
Funds	213	274	25,965	24,863

The parent charity's results for the year are disclosed as follows:

	Academy	
	2026	**2025**
	£'000	**£'000**
Gross income	59,556	70,401
Retained net surplus for the year	7,310	4,745

Note 19 – Related party transactions

The Academy had the following transactions within its subsidiaries during the year:

	Sales	Salary recharges	Management charges	Debtors	Creditors
	£'000	**£'000**	**£'000**	**£'000**	**£'000**
Queen Elizabeth Prize for Engineering Foundation	–	343	324	4	–
RAE Trading	389	57	263	419	–

All transactions in respect of trustees is provided for in Note 9

Legal and administrative information

NAME AND REGISTERED OFFICE

The Royal Academy of Engineering is a registered charity No. 293074. It is a corporate body governed by Royal Charter. The registered office is Prince Philip House, 3 Carlton House Terrace, London SW1Y 5DG.

PROFESSIONAL ADVISERS

Bankers

National Westminster Bank plc
Charing Cross, London Branch
PO Box 113, Cavell House
2a Charing Cross Road
London WC2H 0NN

Solicitors

Womble Bond Dickinson
4 More London Riverside
London SE1 2AU

Auditor

BDO LLP
55 Baker Street
London W1U 7EU

Investment managers

Goldman Sachs International
Plumtree Court,
25 Shoe Lane,
London EC4A 4AU

TRUSTEE BOARD MEMBERS

The Academy's Trustee Board comprises 13 members elected by and from the Fellowship with the discretion to co-opt up to two additional members. Trustee Board members are the Trustees of the Academy as defined under its status as a registered charity. The Trustee Board meets at least six times a year and is responsible for the governance of the Academy. At these meetings, the Trustee Board will discuss issues of strategy and policy and also matters referred to it by the governance committees for Finance, Audit and Risk, Conduct, Membership, Nominations, and Remuneration.

All Trustee Board members and committee members give their time freely; no remuneration was paid in the year beyond the reimbursement of reasonable expenses. The majority of Academy activities are controlled by committees primarily composed of Fellows. The members of the Trustee Board during the year were:

OFFICERS

President

Sir John Lazar CBE FREng

Vice-Presidents

Dr Steve Denton FREng
Vice-President for Committee Coordination

Professor Nick Jennings CB FREng FRS Vice-President for Fellowship Engagement

Members of the Trustee Board at the date the report was approved:

Professor Dame Muffy Calder DBE FREng FRSE (appointed 23 September 2025)
Dame Dawn Childs DBE FREng
David Eyton CBE FREng
Dr Luisa Freitas dos Santos FREng
Dr Carolyn Griffiths OBE FREng
Dame Judith Hackitt DBE FREng
Professor Sarah Hainsworth OBE FREng
Arthur Kay (appointed 22 September 2025)
Paul Taylor CBE FREng
Professor Richard Andrew Williams (appointed 23 September 2025)
Dr David Richard John Wright FREng (appointed 23 September 2025)

Other Trustees who served during the period of the report:

Dr Enass Abo-Hamed MBE (retired 23 September 2025)
Jane Atkinson CBE FREng (retired 23 September 2025)
Dame Sue Gray DBE CB FREng (retired 23 September 2025)
Professor Ric Parker CBE FREng (retired 23 September 2025)

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Conduct – Dr Steve Denton FREng
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Chairs of Operating Committees

Awards – Luke Logan FREng
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Engineering Policy Centre – Professor Eleanor Stride OBE FREng
Enterprise – Paul Taylor CBE FREng (until 23 September 2025)
Dr Caroline Hargrove CBE FREng (from 23 September 2025)
External Affairs – Rachel Skinner CBE FREng
Diversity and Inclusion – Aleida Rios FREng (until 23 September 2025), Professor Rachel Oliver OBE FREng (from 23 September 2025)
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Professor Sir Bashir Al-Hashimi CBE FREng (from 23 September 2025)
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The Academy acknowledges the generosity of all its supporters who have enabled the continuing growth and development of its programmes and activities. In this financial year, support was received from the following individuals and organisations.

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The Queen Elizabeth Prize for Engineering is run by a charitable company limited by guarantee and called The Queen Elizabeth Prize Foundation, which manages the prize and its funding. It was funded by generous support from the following corporate donors:

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The Queen Elizabeth Prize for Engineering Foundation wishes to thank donors for their generous support:

Dame Anne Richards DBE CVO FRSE

With additional thanks to donors who wish to remain anonymous.

Event highlights 2025/26

APRIL

- Flagship lecture: Change and climate change, Lord Browne of Madingley FREng FRS, London and online
- Critical Conversations: What does effective governance of complex systems look like? Online

MAY

- Fellows' Day, London
- Fireside chat: Driving change in challenging times – a fireside chat hosted by the Academy's then CEO, Dame Hayaatun Sillem DBE, with Dan Labbad, CEO of The Crown Estate, and a senior government official

JUNE

- INWED Leadership Lunch – Together we engineer
- Engineering excellence: celebrating women of global talent
- Amazon Future Engineer (AFE) Scholarship event, London

JULY

- Awards Dinner, London
- Fellows Summer Reception, London

AUGUST

- Frontiers symposia: the business case for circular economy, Thailand

SEPTEMBER

- AGM, London
- Annual conference of the International Council of Academies of Engineering and Technological Sciences, Australia
- Euro-CASE Annual Conference 2025: complex systems: shaping the future for a resilient society, Austria
- Graduate Engineering Education Programme 10-year celebration, London
- Hub Lates London: moving towards net zero, one sensor at a time
- Launch of This is Engineering: schools – Welsh Valleys Caerphilly strand at Panasonic Manufacturing UK, Swansea

OCTOBER

- Africa Prize for Engineering Innovation final, Senegal and online
- AT2030 Frontiers symposium: community-led assistive technology solutions, Nepal
- Black History Month leadership lunch
- EXPLORE mission to California
- Hub Lates Wales, Swansea
- Innovation Incoming: Adventures in organ preservation – a MacRobert Award special
- Practical AI: Improving road safety in the West Midlands using AI sensors, online
- Queen Elizabeth Prize for Engineering Laureate Reception, California

NOVEMBER

- Awardee Excellence Community Conference, Glasgow
- Enterprise Hub Showcase, London
- Hinton Lecture: AI 2050 – thought experiment updated, with James Manyika, Senior Vice President, Google-Alphabet, London
- Innovation Late, Liverpool
- National Engineering Day breakfast reception and Engineers 2030 launch, House of Lords, London
- New Fellows briefing and dinner, London
- Policy Fellowships Showcase: from challenge to impact, London

DECEMBER

- Practical AI: The future of sewer maintenance with intelligent robots, online

JANUARY

- Hub Lates Northern Ireland, Belfast
- Practical AI: Home sensing to support safer independent living, online

FEBRUARY

- 2026 Queen Elizabeth Prize for Engineering announcement, Science Museum, London
- Green Skills Symposium, Nairobi

MARCH

- Annual equity, diversity and inclusion conference: engineering for communities. London and online

To find out more and catch up on some of these events, please visit www.raeng.org.uk/events

Products

ENTERPRISE HUB

Advance – a bespoke, focused programme of relationship-building and business growth activities, aimed at researchers from emerging economies who have an innovation that helps address their country's development needs.

Africa Prize for Engineering Innovation – provides commercialisation support to African innovators developing scalable engineering solutions to local challenges.

Enterprise Fellowships – provides equity-free funding, ongoing support, and expert mentorship to help entrepreneurial academics build the skills and confidence they need to maximise the success of their spinout venture.

EXPLORE – provides funding and support to Enterprise Hub alumni who are deep-tech founders interested in market expansion.

Leaders in Innovation Fellowships Community – supports the continuous journey of international entrepreneurs turning their engineering innovations into impactful, sustainable businesses.

Regional Talent Engines – supports early-stage founders to transform their engineering ideas into a startup pitch.

Schott Scale Up Accelerator – provides funding and support to high-growth SME senior leaders with leadership skills and insight.

Science and Technology Venture Capital Fellowships – designed to enhance investor capability in identifying and deploying capital into high-potential, scalable, life science and deep-tech ventures.

RESEARCH AND INVENTION FELLOWSHIPS

APEX Awards – in partnership with the British Academy and the Royal Society, and with the support of The Leverhulme Trust, the APEX Awards (Academies Partnership in supporting Excellence in cross-disciplinary (X) research) aim to demonstrate how researchers from different disciplines sharing a common vision can come together to generate creative and innovative solutions that will benefit wider society.

Chairs in Emerging Technologies – provides long-term support of up to 10 years to global research visionaries to lead on developing emerging technology areas with high potential to deliver economic and social benefit to the UK.

Green Future Fellowship – provides funding and support to leading researchers and innovators to develop practical, breakthrough technologies and climate change solutions to achieve net zero.

Industrial Fellowships – enables mid-career academics and industrialists to undertake a collaborative research project in either an industrial or academic environment, where one party would host the other.

Leverhulme Trust Research Fellowships – provides mid-career engineers working in UK academic institutions with the opportunity to focus on research activities for a period of up to a year, while giving a more junior academic the opportunity to gain valuable teaching experience.

Research Chairs/Senior Research Fellowships – provides funding, together with industry and other research organisations, to support strategically important research in UK universities. The Academy provides funding for an initial period of five years.

Research Fellowships – awarded to outstanding early-career researchers from all branches of engineering who have a PhD awarded in the last four years.

UK Intelligence Community Postdoctoral Research Fellowships – two-year fellowships funded by the Government Office for Science to promote unclassified basic research in areas of interest to the intelligence, security and defence community.

ENGINEERING X

Safer Complex Systems – supports the application and development of systems-based approaches to address complex challenges, with a focus on delivering safety and sustainability outcomes.

Skills for Safety – supports the delivery of skills and education programmes, community building and advocacy to enable safer engineering practices. Focused currently on promoting the Global Engineering Capability Review 2025 and working with local partners to use it to identify and address skills and safety gaps.

Safer End of Engineered Life: Open burning of waste – working to create the conditions that enable change in behaviour, policy, and practice to end open waste burning globally. It does this through convening and community building, advocacy, strategic partnerships, grant funding, and evidence generation.

Safer End of Engineered Life: Offshore wind and ships – working to ensure offshore wind infrastructure is managed safely and sustainably at the end of its life through the set-up and convening of the international End of Life Committee in partnership with the World Forum Offshore Wind. It also drives proactive work on priority areas where action is most urgent and impactful on topics of international regulation, industry standards, benchmarking best practice, and material flow forecasting.

Transforming systems through partnership – catalyses partnerships between universities, large companies, SMEs and startups to address sustainable development goals.

NATIONAL ENGINEERING POLICY CENTRE

Policy Fellowships – inspires policymakers to think differently and to use engineering and systems thinking to frame complex problems and design resilient solutions.

Systems approaches in government programme – supports policymakers to navigate complex challenges by applying systems approaches underpinned by engineering expertise.

SKILLS CENTRE

Amazon Future Engineers bursary – supports women A-level and BTEC/OCR (or Scottish equivalent) students from low-income households who wish to study computer science or related engineering courses at university.

Diversity Impact Programme – addressing the unequal outcomes experienced by students from underrepresented groups.

Engineering Leaders Scholarships – funds ambitious engineering undergraduates to undertake an accelerated personal development programme to move into a leadership position soon after graduation.

Google DeepMind Research Ready – supports undergraduate students from socioeconomically disadvantaged backgrounds to progress into research and careers in AI through paid summer research placements.

Graduate Engineering Engagement Programme – increasing the transition of engineering graduates from diverse backgrounds into engineering employment.

Inclusive Leadership Programme – building a network of champions and growing inclusive practice and leadership in the engineering industry.

MSc Motorsport Scholarships – supports undergraduates from Black or mixed Black ethnic backgrounds, women and those from groups underrepresented in engineering who wish to study a master's degree in motorsport (or related eligible course).

Sainsbury Management Fellowships – aims to enhance the capability of the UK engineering industry by providing grants to young engineers with leadership qualities so that they can undertake an MBA course at a leading international business school.

Sir Ralph Robins Scholarship – awarded to three individuals each year who meet the criteria for an Engineering Leaders Scholarship and come from a low socio-economic or underrepresented background.

This is Engineering: schools – provides funding to programme schools/colleges in Northern Ireland, Scotland, the Welsh Valleys and Caerphilly, and the West Midlands to enhance and enrich the E in the STEM curriculum.

Visiting Professors – uses the experience of Visiting Professors (with backgrounds as industrialists, entrepreneurs, consultants, or innovators) to enhance teaching and learning as well as the employability and skills of UK engineering degree students while strengthening external partnerships with industry.

OTHER INTERNATIONAL PROGRAMMES

Distinguished International Associates – supports international engineers at the cutting edge of engineering research or innovation seeking to intensify existing collaborations or connections to the UK.

Frontiers – an international convening and collaboration mechanism that brings together interdisciplinary researchers, innovators and practitioners around shared global challenges. Through carefully curated symposia, seed funding and a Champions scheme, Frontiers supports knowledge exchange, new collaborations, pilot projects, and network building that help translate ideas into sustained impact.

Global Talent Visa – endorses talented and promising individuals in specific sectors to live and work in the UK freely.

PUBLIC ENGAGEMENT

Ingenious – provides opportunities for engineers to take part in public engagement activities.

Awards

MACROBERT AWARD – the UK's longest-running and most prestigious national prize for engineering innovation. The Award recognises outstanding innovation coupled with tangible societal benefit and proven commercial success.

2025 winner: OrganOx metra

BHATTACHARYYA AWARD – annual award to celebrate collaboration between academia and industry, recognising the team or teams who best show how industry and universities can work together.

2025 winners: University of Warwick and Tata Limited

COLIN CAMPBELL MITCHELL AWARD – awarded to an engineer or small team of engineers who have made an outstanding contribution to the advancement of any field of UK engineering.

2025 winner: Occuity

MAJOR PROJECT AWARD FOR SUSTAINABILITY – awarded to a team that has played a critical role in a major engineering project that has had substantial impact on society in any branch of engineering.

2025 winner: Scottish Water: Winchburgh Waste Water Treatment Works

PRESIDENT'S MEDAL – awarded to an Academy Fellow who has greatly contributed to the Academy's work and aims.

2025 winner: Professor Nilay Shah OBE FREng

PRINCE PHILIP MEDAL – awarded biennially to an engineer of any nationality who has made an exceptional contribution to engineering through practice, management or education.

PRINCESS ROYAL SILVER MEDALS – awarded to an early- to mid-career engineer for outstanding personal contribution to UK engineering resulting in market exploitation.

2025 winners: Alex Kendall, CEO and Co-Founder of Wayve; Professor Themis Prodromakis, Regius Chair of Engineering and RAEng Chair in Emerging Technologies, at the University of Edinburgh

ROOKE AWARD – awarded to an individual, small team or project that has contributed to the Academy's aims and work through their initiative in promoting engineering to the public.

2025 winner: Alex Knight MBE

RAENG ARMOURERS AND BRASIERS COMPANY PRIZE – awarded biennially to an individual, for excellence in materials engineering.

2025 winner: Professor Graham Hutchings CBE FREng FRS

RAENG ENGINEERS TRUST YOUNG ENGINEERS OF THE YEAR – recognises the potential of younger UK engineers, who have demonstrated excellence in the early stage of their career.

2025 winners: Jack Biltcliffe, R&D Lead, The Washing Machine Project; Miguel Martinez Paneda, Principal Structural Engineer, Arup; Andrei Feraru, Founder and CEO of Feraru Dynamics Ltd; Dr Calvin Tsay, Associate Professor, Department of Computing, Imperial College London

SIR GEORGE MACFARLANE MEDAL – awarded to the overall winner of the RAEng Engineers Trust Young Engineer of the Year.

2025 winner: Dr Mahmoud Wagih

•SIR FRANK WHITTLE MEDAL – awarded to an engineer for outstanding and sustained achievement in any engineering discipline.

2025 winner: Dr Fiona Rayment OBE FREng FRSE

To find out more about Academy awards and prizes, please visit: www.raeng.org.uk/programmes-and-prizes

The Royal Academy of Engineering creates and leads a community of outstanding experts and innovators to engineer better lives. As a charity and a Fellowship, we deliver public benefit from excellence in engineering and technology and convene leading businesspeople, entrepreneurs, innovators and academics across engineering and technology. As a National Academy, we provide leadership for engineering and technology, and independent, expert advice to policymakers in the UK and beyond.

The world is changing rapidly, with economies, supply chains and security critically dependent on engineering capability. Engineers are uniquely placed to respond to that change and innovate solutions to the challenges it presents.

We have three goals:



Sustainable and Innovative Economy, where sustainability drivers, innovative industries and resilient infrastructures are aligned to drive growth and productivity that will support better lives for all.



Technology Improving Lives, where technology in all its forms is used to meet the most important human needs, avoid harm, support fairer societies and break down barriers to opportunity.



Engineering Community Fit for the Future, where our community reflects society in its diversity, commits to creating inclusive cultures to help drive engineering excellence, and has the skills to meet future needs safely, securely and ethically, and to keep pace with innovation.

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