Whitworth Scholarship's Fund

Trustee Board's Report and Annual Accounts
For the Year Ended 31 December 2025

Registered Charity No: 313756 (England and Wales)

Whitworth Scholarship's Fund for the year ended 31 December 2025

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Whitworth Scholarship's Fund for the year ended 31 December 2025

Legal and Administrative Information

Name:	Whitworth Scholarship's Fund
Charity Number:	313756
Trustee:	The Institution of Mechanical Engineers 1 Birdcage Walk, Westminster London SW1H 9JJ
Chief Executive Officer:	Joann Passingham
Administrator:	IMechE Prizes Awards 1 Birdcage Walk, Westminster London SW1H 9JJ
Bankers:	NatWest Bank 7 Cornhill, Bury Saint Edmunds IP33 1BQ
Auditor:	MHA Audit Services LLP Statutory Auditor 6th Floor 2 London Wall Place London, United Kingdom EC2Y 5AU
Investment Manager:	Schroder & Co. Limited (from 31 March 2024) 12 Moorgate, London EC2R 6DA
Governing Instruments:	Deed of Trust between Sir Joseph Whitworth and the Secretary of State for Education dated 23 September 1868 Charity Commissioners for England and Wales Scheme dated 11 December 2001

Whitworth Scholarship's Fund for the year ended 31 December 2025

Trustee's Report

The Trustee presents its report along with the financial statements of the Fund for the year ended 31 December 2025. The financial statements have been prepared in accordance with the accounting policies set out below and comply with the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in 2019.

Governance and Management

The Whitworth Scholarship's Fund was established in 1868 under a deed of covenant and trust between Sir Joseph Whitworth, a leading manufacturer of machine tools, and the then President of the Committee of Council on Education. The Fund is now governed under the terms of a Scheme made by the Charity Commission for England and Wales dated 11 December 2001.

The objects of the Fund, as stated in the Scheme, are to promote education in all engineering disciplines with a preference for mechanical engineering through the award of:

- Scholarships to suitably qualified applicants to enable them to study engineering, with a preference for mechanical engineering, at any establishment approved by the trustee; and

- Prizes for solutions to real problems encountered in the workplace by engineers following an accredited programme of work-based training.

Objective and Activities

Under the terms of the Scheme dated 11 December 2001, the Institution of Mechanical Engineers (IMechE) succeeded the Secretary of State for Education and Skills as sole trustee of the Fund.

The IMechE administers the Fund assisted by the IMechE Whitworth Awards Panel, which advises the IMechE in making decisions on the awards. Membership of the Panel includes representatives from the Whitworth Society, UKRI, academia and the engineering professions. Panel members are not remunerated but may claim reasonable travel and subsistence expenses.

General costs of administering the Fund are borne by Whitworth Fund but costs incurred in selection of scholars are reimbursed out of votes of Parliament.

Value of Scholarships

The awards are flexible to recognise the many study modes. The Whitworth Scholarship award supporting undergraduate/MSc students was valued at £9,000 full-time and typically £3,000 per annum for part-time. The Senior Scholarship, supporting postgraduate research, was valued at £15,000 per annum.

In the first part of 2025, the Whitworth Awards Panel invited applications for the Awards in which forty-nine applications were received for the Whitworth Scholarship and five applications received for the Whitworth Senior Scholarship Awards. Thirty-eight candidates were called for interview for the Whitworth Scholarship Awards and two candidates for the Whitworth Senior Scholarship Awards which were held on Wednesday 20*th* and Thursday 21*st* August 2025 at One Birdcage Walk. Following the interviews twenty-eight new Whitworth Scholarship Award Holders and two new Whitworth Senior Scholarship Award Holders were chosen to receive an award.

Whitworth Scholarship's Fund for the year ended 31 December 2025

Value of Scholarships (continued)

The Whitworth Senior Scholarship Awards for 2025 were awarded to support PhD research in:

- Engineering Science - Generative AI for Legged Robot Locomotion & Loco-Manipulation at The University of Oxford
- Engineering at The University of Warwick

Upon successful completion of their degree courses, eleven Whitworth Awards holders were elected as *Whitworth Scholar*. One Whitworth Senior Scholarship Award Holder completed their DPhil in "*Assisting Hazard Analysis of Air Systems by Applying Natural Language Processing to Occurrence Datasets*" at Cranfield University and was elected *Whitworth Senior Scholar*.

On February 19th 2026, the Whitworth Awards Ceremony, celebrating the achievements of Award Holders and the newly elected Scholars from 2025, was held. The Ceremony was officiated by Jo Passingham, IMechE Interim CEO. Professor Karl Dearn, WhSch, WhSSch Chair of the Whitworth Awards Panel, introduced the Whitworth Scholarship Awards. IMechE Deputy President David Nowell presented the certificates and medals with Rupert Shute, WhSch, President of the Whitworth Society, who also addressed the proceedings.

Achievements and Performance

Income from the investment portfolios and bank deposits amounted to £279,778 (2024: £ £233,832). The fund paid £302,150 as scholarships to students (2024: £315,250). The administration cost of the funds was £17,522 (2024: £25,943) and the fund management fee came to £22,133, (2024: £38,278). The result was a net expenditure before gain on investment assets of £62,027 (net expenditure 2024: £ £145,639). As a result of a positive movement in the Stock Market the closing value of the Expendable Endowment Fund increased to £4,537,241 (2024: £4,435,641). The closing value of the Unrestricted Fund increased to £3,121,824 (2024: £2,801,373) due primarily to the increase in the net gains on investment assets.

Investment Policy

All the Fund's income is generated from investments and bank deposits. The investments of the Fund are held in the form of a Charity Authorised Investment Fund, called the Charity Multi Asset Fund, that are suitable for a Fund of this nature. The Permanent Endowment Fund represents the original donation made by Sir Joseph Whitworth to provide income to pay for scholarships. The Unrestricted Fund represents accumulations of unspent income that has accrued during the long history of the Trust; most of this income has been reinvested to generate an additional source of income to fund scholarships.

The Fund reviews the performance of the investments on a quarterly basis and aims to formally meet the investment manager at least once a year. The Trustee has established an investment policy which takes social, environmental and ethical considerations into account and includes the following principles:

1. A diversity of investments will be held.
2. Investment policy will be appropriate to the needs of the Fund.
3. Appropriately authorised investment managers will be employed.
4. Appropriately authorised nominees may be employed to hold individual stocks and shares.

The fund's financial objectives on investments are as follows:

1. Ensure sufficient funds to support the charity's mission over long term including building reserves for future financial needs
2. Maximise the impact of donations by allocating resources efficiently towards activities aligned with the charity's goals
3. Adhere to legal regulatory and ethical standards in financial reporting
4. Provide clear and accurate financial reports to stakeholders
5. Maintain sufficient liquidity to meet short-term obligation

The following social and ethical considerations apply to the fund:

1. All financial activities align with the charity's mission to promote education in all engineering disciplines with a preference for mechanical engineering
2. Following ethical investment policies by excluding investing in industries that cause social or environmental harm
3. Maintain honesty and openness in financial reporting and operations
4. Financial decisions have been made free from personal and institutional conflict of interest

Trustee's Report (continued)

Risk Management

The IMechE has reviewed the major risks to which the Fund is exposed. The principal risks facing the Fund are those related to the income and finances of the Fund. The year 2025 was a challenging year characterised by higher inflation, geopolitical instability, and market volatility. The IMechE has taken steps as far as possible to mitigate exposure to those risks by keeping the Investment Policy under review, including the mix of investments held and monitoring expenditure.

Reserves policy

Unrestricted reserves at 31 December 2025 were £3,121,824 (2024: £2,801,373). The Trust Fund also has a permanent endowment fund; its year-end balance was £4,537,241 (2024: £4,435,641). IMechE has set a target of utilizing all the available income for scholarships provided candidates of sufficient merit can be found.

The Trust has a policy which requires that the level of free reserves should reflect at least six months of charitable spend, in addition to long term multi-year scholarship commitment due within one year. The minimum unrestricted reserves required at the end of year was £304k. With the unrestricted reserves at the year-end being £3.1m the fund is in compliance with its reserve policy and is also maintaining approximately £2.9m in excess of the required minimum level.

Public Benefit

The IMechE confirms that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Fund's aims and objectives and in planning future activities and setting the grant making policy for the year.

Future developments

The Whitworth Awards Panel constantly reviews the scheme and at present have agreed not to make any changes for 2026. However, in future reviews we will consider how best we can utilise our excess reserves.

Recruitment and appointment of the Trustees

The Trust Deed states that the Institution of Mechanical Engineers is the Trustee of the Scheme. The institution of Mechanical Engineers is governed by a Trustee Board comprising of members of the Institution elected to office by Corporate and Associate Members, through an annual election process as detailed in the Royal Charter and By-laws of the Institution.

Whitworth Scholarship's Fund for the year ended 31 December 2025

Statement of Trustee's Responsibilities

Statement of Trustee's responsibilities in respect of Trustee's annual report and the financial statements

The Trustee is responsible for preparing the Trustee's Annual Report and the financial statements in accordance with applicable law and regulations.

Charity law requires the Trustee 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 Trustee 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 charity and of the incoming resources and application of resources, including the income and expenditure, of the Fund for that period.

In preparing these financial statements, generally accepted accounting practice entails that the Trustee:

- select suitable accounting policies and then apply them consistently.
- make judgements and estimates that are reasonable and prudent.
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going-concern basis unless it is inappropriate to presume that the Fund will continue in business.

The Trustee is required to act in accordance with the trust deed of the Fund, within the framework of trust law. The Trustee is responsible for keeping proper 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. 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 Trustee's responsibility also extends to the ongoing integrity of the financial statements contained therein.

The Trustee's Report was approved by the Trustee Board of the Institution of Mechanical Engineers on XXX 2026 and was signed on its behalf by:

Matt Garside
President

Dr. Richard Judge
Deputy President

Whitworth Scholarship's Fund

Independent Auditor's Report to the Trustees of Whitworth Scholarship's Fund
For the year ended 31 December 2025

Opinion

We have audited the financial statements of Whitworth Scholarship's Fund (the 'Charity') for the year ended 31 December 2025 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 31 December 2025, and of its incoming resources and application or resources;
- 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the 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.

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Trustee is responsible for the other information contained within the Trustee's Report. 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 or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the Charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustee's Report.

We have nothing to report in respect of the following matters where the Charities (Accounts and Report) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Trustee's Report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the 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 the Trustee

As explained more fully in the Trustee's responsibilities statement set out in the Trustee's report, the Trustee is 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 Trustee's 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 Trustee is responsible for assessing the Charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustee either intend to liquidate the Charity or to cease operations, or have no realistic alternative but to do so.

Auditor responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

- Obtaining an understanding of the legal and regulatory frameworks that the entity operate in, focusing on those laws and regulations that had a direct effect on financial statements;
- Enquiry of management and those charged with governance to identify any instances of known or suspected fraud;
- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Enquiry of management to identify any instances of non-compliance with laws and regulations;
- Reviewing the design and implementation of controls systems in place;
- Performing audit work over the risk of management override of controls;
- Testing the operational effectiveness of controls;
- Performing audit work over the risk of management override of controls, including testing journal entries and other adjustments for appropriateness;
- Evaluating the business rationale of significant transactions outside the normal course of business;
- Reviewing significant accounting estimates for bias;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Use of our report

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

MHA, Statutory Auditor
London, United Kingdom

Date:

MHA is the trading name of MHA Audit Services LLP, a limited liability partnership in England and Wales (registered number OC455542)

MHA are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

Statement of Financial Activities

Whitworth Scholarship's Fund

For the year ended 31 December 2025

	Notes	Unrestricted Funds £	Endowment Funds £	2025 Total £	2024 Total £
Income and endowments from:					
Investments					
Interest & Dividend	2	110,379	169,399	279,778	233,832
Total		**110,379**	**169,399**	**279,778**	**233,832**
Expenditure on:					
Charitable activities					
Scholarships, Prizes and administration	6	(341,805)	-	(341,805)	(379,471)
Total		**(341,805)**	-	**(341,805)**	**(379,471)**
Net (expenditure) before gains/(losses) on investment assets		**(231,426)**	**169,399**	**(62,027)**	**(145,639)**
Net gains/(losses) on investment assets	10	164,990	319,088	484,078	400,350
Net income/(expenditure)		**(66,436)**	**488,487**	**422,051**	**254,711**
Reconciliation of funds:					
Net movement in funds:		(66,436)	488,487	422,051	254,711
Transfer of funds		386,887	(386,887)	-	-
Total funds brought forward	10	2,801,373	4,435,641	7,237,014	6,982,303
Total funds carried forward	10	**3,121,824**	**4,537,241**	**7,659,065**	**7,237,014**

The Fund has no recognised gains or losses for the year other than as detailed above. The net movements in the Fund's funds for the year arise from the Fund's continuing activities.

The Notes on pages **15-21** form part of these accounts.

Summary of Financial Activities for the year ended 31 December 2024

	Notes	2024 Unrestricted Funds £	2024 Endowment Funds £	2024 Total £
Total income		92,247	141,585	233,832
Total expenditure	6	(379,471)	-	(379,471)
Net Gains on investment assets	7	158,565	241,785	400,350
Net income/(expenditure)		(128,659)	383,370	254,711
Reconciliation of funds:				
Net movement in funds:		(128,659)	383,370	254,711
Transfer of funds		141,585	(141,585)	-
Total funds brought forward	10	2,788,447	4,193,856	6,982,303
Total funds carried forward:	10	**2,801,373**	**4,435,641**	**7,237,014**

Whitworth Scholarship's Fund

Balance Sheet

As at 31 December 2025

	Note	2025 £	2024 £
Fixed assets:			
Investments	7	7,493,379	7,029,600
Current assets:			
Debtors	8	46,998	46,322
Cash and cash equivalents		156,158	216,244
Total current assets		**203,156**	**262,566**
Liabilities:			
Creditors: Amounts falling due within one year	9	(37,470)	(55,152)
Net current assets		**165,686**	**207,414**
Total net assets		**7,659,065**	**7,237,014**
The funds of the charity:			
Endowment funds	10	4,537,241	4,435,641
Total unrestricted funds	10	3,121,824	2,801,373
Charity funds		**7,659,065**	**7,237,014**

The financial statements on pages 15-22 were approved by the Trustee Board of the Institution of Mechanical Engineers on XXX 2026 and were signed on its behalf by:

Matt Gardside
President

Dr. Richard Judge
Deputy President

Charity Registration Number: 313756

Whitworth Scholarship's Fund

Statement of Cash Flows
For the year ended 31 December 2025

	2025	2024
	£	£
Cash flows from operating activities:		
Net cash used in operating activities	(360,162)	(370,065)
Cash flows from investing activities		
Dividends, interest from investments	279,778	233,832
Sale of investments	-	7,236,282
Purchase of investments	-	(6,920,000)
Net cash provided by investing activities	279,778	550,114
Change in cash and cash equivalents in the reporting period	(80,384)	180,051
Cash and cash equivalent at the beginning of reporting period	236,542	56,491
Cash and cash equivalent at end of reporting period	**156,158**	**236,542**

Reconciliation of net income to net cash flow from operating activities	**2025** £	**2024** £
Net income as per the statement	422,051	254,711
Adjustments for:		
Dividends, interest from investments	(279,778)	(233,832)
(Gains)/loss on Investments	(484,078)	(400,350)
Decrease/(increase) in debtors	(677)	13,393
Decrease/(increase) in creditors	(17,681)	(3,987)
Net cash used in operating activities	**(360,162)**	**(370,065)**

Analysis of Net Funds	**Balance 01.01.2025**	**Cash flows**	**Balance 31.12.2025**
	£	£	£
Cash in Investment	20,298	(20,298)	-
Cash at bank and in hand	216,244	(60,086)	156,158
	236,542	**(80,384)**	**156,158**

Whitworth Scholarship's Fund

Notes to the Financial Statements For the year ended 31 December 2025

Accounting Policies

The Fund is registered with the Charity Commission (registered number: 313756), domiciled in the UK and is a public benefit entity. The address of the registered office is 1 Birdcage Walk, London, SW1H 9JJ. The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Fund's financial statements.

a) **Basis of preparation**

b) The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) revised October 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

c) **Going Concern**

The financial statements have been prepared on a going concern basis. The Fund has a reasonable expectation that there is adequate resources to continue in operational existence for the foreseeable future. The Fund has a strong balance sheet and has access to £7.7m of available investments which could be utilised to cover expenditure if required. Based on budgets and forecasts prepared, we believe that there are no material uncertainties that call into doubt the Fund's ability to continue as a going concern.

d) **Income**

Investment income is earned from holding assets for investment purposes and includes dividends and bank interest that are presented gross on a receivable basis.

e) **Expenditure**

Scholarship awards are recognised on an academic year basis with any sums due at the year-end in respect of the spring and summer terms being accrued. General expenditure is recognised in the period to which it relates.

Members of the Whitworth Award Panel, who are responsible for selecting Scholars, provide their time free of charge.

f) **Investments**

Investments consist of a Charity Authorised Investment Fund, called the Charity Multi Asset Fund, administered by an investment manager and are valued at the year end at the bid price. It is the Fund's policy to keep valuations up to date such that when investments are sold there is no gain or loss arising relating to previous years. As a result the Statement of Financial Activities does not distinguish between the valuation adjustments relating to sales and those relating to continued holdings as they are together treated as changes in the value of the investment portfolio throughout the year.

Accounting Policies (continued)

e) **Investments (continued)**

Listed investments are included in the Balance Sheet at fair value. Social investments are made directly in pursuit of the Whitworth Scholarship Fund's charitable purposes (i.e. the award of scholarships and prizes to eligible recipients) or with a mixed purpose to also generate a financial return (mixed motive investments). All investment management charges are included in the bid price of units. We are unable to identify investment manager fees separately and so these fees are not disclosed in the Statement of Financial Activities.

f) **Grant commitments**

Scholarships are awarded for the period of study, usually three years, with payments made on a termly basis.

Expenditure is not accrued beyond each academic year as future payments are subject to a performance review by the Whitworth Panel, which therefore has discretion to terminate the funding agreement in case the performance related conditions are not met.

Multi-year grants that do not meet the recognition criteria are disclosed as contingent liabilities in the notes to the financial statements.

g) **Financial instruments**

The Fund has elected to apply the provisions of Section 11 "Basic Financial Instruments" and Section 12 "Other Financial Instruments Issues" of FRS102 to all its financial instruments.

Financial assets are recognised in the Fund's statement of financial position when the Fund becomes party to the contractual provisions of the instrument.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

h) **Critical accounting estimates and judgements**

In the application of the accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. The estimates and underlying assumptions are reviewed on an ongoing basis.

Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

i) **Fund Accounting**

Endowment Funds are permanently endowed assets, which provide unrestricted income to the Fund. Unrestricted Funds are applied according to the scheme governing the Fund.

2 Investment Income

	2025	2024
	£	£
Dividends receivable from investment funds	**279,778**	**233,832**

All investment income arises from the investments detailed in note 7.

3 Taxation

Whitworth Scholarship's Fund is considered to pass the tests set out in paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable trust for UK Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable trust for UK income tax purposes. Accordingly, the Fund is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 10 Income Tax Act 2007 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

4 Trustee's Remuneration and Expenses

The Trustee neither received nor waived any remuneration or expenses during the period (2024 - Nil).

5 Employees

There were no employees in the year ended 31 December 2025 (2024 - Nil).

6 Expenditure on charitable activities

	2025	2024
	£	£
Scholarships	302,150	315,250
Prizes administration	17,522	25,943
Funds management fee	22,133	38,278
Total	**341,805**	**379,471**

* Funds management fee is the prizes and awards administration fee.

Scholarships in both 2025 and 2024 were awarded to the individuals, studying engineering either part-time or full-time, and intended for their educational needs.

The total amounts incurred in respect of audit fees in 2025 were £8,820 (2024: £8,400).

7 Investments

	Market Value	Transfer (in year transfer)	Gains & (Losses)	Fund allocation	Market Value	*Market Value*	Cost	*Restated Cost*
	01/01/2025	**31/12/2025**	**31/12/2025**	**31/12/2025**	**31/12/2025**	***31/12/2024***	**31/12/2025**	***31/12/2024***
	£	**£**	**£**	**£**	**£**	***£***	**£**	***£***
Expendable Endowment Fund								
Multi-Asset Funds	4,419,727	-	319,088	(201,574)	4,537,241	*4,432,017*	4,005,137	*4,005,137*
Cash	12,290 -	12,290						
Fund Total	4,432,017	(12,290)	319,088	(201,574)	4,537,241	4,432,017	4,005,137	*4,005,137*
Unrestricted Fund Holding								
Multi-Asset Funds	2,589,575	-	164,990	201,573	2,956,138	*2,597,583*	2,609,457	*2,609,457*
Cash	8,008 -	8,008						
Fund Total	2,597,583	(8,008)	164,990	201,573	2,956,138	2,597,583	2,609,457	*2,609,457*
Total Investments	**7,029,600**	**(20,298)**	**484,078**	**(1)**	**7,493,379**	**7,029,600**	**6,614,594**	***6,614,594***

Note: The comparative financial information for the year ended 31.12.2024 has been restated to correct an error in the reported cost of investments. This was as a result of an error in data entry and has been corrected retrospectively by restating the comparative figures for the prior period, in accordance with Charities SORP (FRS 102). The restatement affected the cost of investments as at 31.12.24 (as detailed below).The correction has no impact on the incoming resources or resources expended for the current year and does not affect cash flows previously reported.

	Prior Year Cost	*Prior Period Adjustment*	*Restated Cost*
	31/12/2024		***31/12/2024***
	£	**£**	***£***
Expendable Endowment Fund			
Multi-Asset Funds	*4,181,792*	(176,655)	*4,005,137*
Fund Total	*4,181,792*	(176,655)	*4,005,137*
Unrestricted Fund Holding			
Multi-Asset Funds	*2,434,553*	174,904	*2,609,457*
Fund Total	*2,434,553*	174,904	*2,609,457*
Total Investments	**6,616,345**	**(1,751)**	**6,614,594**

8 Debtors

	2025	**2024**
	£	**£**
Dividends receivable	**46,998**	**46,322**

9 Creditors

	2025	2024
	£	£
Grants payable	28,650	46,750
Other creditors	8,820	8,402
Total creditors	**37,470**	**55,152**

10 Statement of Funds

	Balance at 01/01/2025	Net (expenditure)/ Income	Movement	Gain/(Loss) on Investment assets	Balance at 31/12/2025
	£	£	£	£	£
Expendable Endowment Fund	4,435,641	169,399	(386,887)	319,088	4,537,241
Unrestricted Fund	2,801,373	(231,426)	386,887	164,990	3,121,824
Fund Total	**7,237,014**	**(62,027)**	**-**	**484,078**	**7,659,065**

	01/01/2024				31/12/2024
	£	£	£	£	£
Expendable Endowment Fund	4,193,856	141,585	(141,585)	241,785	4,435,641
Unrestricted Fund	2,788,447	(287,224)	141,585	158,565	2,801,373
Fund Total	**6,982,303**	**(145,639)**	**-**	**400,350**	**7,237,014**

The Expendable Endowment Fund provides the long term capital base in the form of investments.

The Unrestricted Fund represents accumulated income most of which has been invested. The income from these investments and those held in the Expendable Endowment Fund is used to pay the scholarship awards.

The transfer of £386,887 from the expendable endowment fund to unrestricted funds arises from a correction of a prior period misallocation of investments between funds. Certain investments previously classified within the endowment fund were identified as unrestricted in nature and have been reclassified in the current year.

This adjustment is a one-off reclassification between funds and has no impact on total net assets or the results for the year. Accordingly, the transfer is not directly comparable to prior year movements, which primarily reflected the transfer of income generated from the endowment fund.

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11 Analysis of Net Assets between Funds

	Unrestricted Fund	Expendable Endowment Fund	Total 2025
	£	£	£
Investments	2,956,138	4,537,241	7,493,379
Net current assets	165,686	-	165,686
Total Net Assets	**3,121,824**	**4,537,241**	**7,659,065**

			2024
	£	£	£
Investments	2,593,959	4,435,641	7,029,600
Net current assets	207,414	-	207,414
Total Net Assets	**2,801,373**	**4,435,641**	**7,237,014**

12 Ultimate Parent

Control of the charity rests with the Institution of Mechanical Engineers (Charity reg. N206882, domiciled in the UK and is a public benefit entity, registered at 1 Birdcage Walk, London, SW1H 9JJ) as sole Trustee under the terms of a Scheme made by the Charity. Any amendment to the Scheme must be made by a resolution passed at special meeting of the trustee. The trustee must obtain the prior written approval of the Charities Commissioners before making any amendments that would affect the composition of the trustee or the terms on which it holds office. The Institution of Mechanical Engineers is an independent professional association, and learned society, that represents mechanical engineers and the engineering profession.

13 Grant Commitments

These sums have been provisionally approved as grants to be made to current scholars for completion of their studies. Because the Trustee has further actions to take on them before releasing for payment, they have not been recognised in this year's accounts. No discounting has been applied to grant commitments due in more than one year on the basis that it would be immaterial.

	2025	2024
	£	£
Scholarships due for payment within one year	255,000	352,500
Scholarships due for payment after one year	249,000	687,750
Total scholarship commitments	**504,000**	**1,040,250**

14 Related Parties

The Institution of Mechanical Engineers administers the Prizes for Whitworth Scholarships Trust Fund. It incurs costs relating to venue hire, speakers and catering which are recharged to the Trust Fund. The amount recharged during the year ended 31 December 2025 was nil (2024: £5,534) and the amount due to the Institution at the year end was nil (2024: nil))

15 Financial instruments

	2025	Restated 2024
	£	£
Financial assets measured at amortised cost	203,156	262,566
Financial liabilities measured at amortised cost	(37,470)	(55,152)
Financial assets measured at fair value	7,493,379	7,029,600
	7,659,065	**7,237,014**

Comparative figures for 2024 have been restated to correct a presentation error whereby financial instrument liabilities were shown as positive amounts rather than as negative balances. The correction has no impact on net assets or fund balances.