

**ENGINEERS AGAINST POVERTY**  
(Company limited by guarantee no. 03613056  
registered charity no. 1071974)

**REPORT AND FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 2013**

# **ENGINEERS AGAINST POVERTY**

(Company limited by guarantee no. 03613056, registered charity no. 1071974)

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## **REPORT AND FINANCIAL STATEMENTS**

For the year ended 31 December 2013

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## ENGINEERS AGAINST POVERTY

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### REFERENCE AND ADMINISTRATIVE DETAILS

For the year ended 31 December 2013

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<b>Trustees</b>	Professor Paul Jowitt Joanne Downham Tony Marshall Ronald Watermeyer Nelson Ogunshakin Tim Sharp Neil Bruce David Rutherford Elisabeth Culbard	Chairman Treasurer  Retired (24/07/2013) Retired (24/07/2013) Appointed (24/07/2013) Appointed (24/07/2013)
<b>Company Secretary</b>	Tendai Nyoka	
<b>Executive Director</b>	Petter Matthews	
<b>Company reg. no.</b>	03613056	
<b>Charity reg. no.</b>	1071974	
<b>Registered office</b>	2nd Floor Weston House 246 High Holborn London WC1V 7EX	
<b>Auditors</b>	MHA MacIntyre Hudson Chartered Accountants & Statutory Auditor New Bridge Street House 30-34 New Bridge Street London EC4V 6BJ	
<b>Bankers</b>	National Westminster Bank Plc Charing Cross Branch PO Box 113, Cavell House 2a Charing Cross Road London WC2H 0NN	

## **ENGINEERS AGAINST POVERTY**

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### **TRUSTEES' REPORT**

**For the year ended 31 December 2013**

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The Trustees, who act as directors of the Company for the purposes of the company law, submit their annual report and the financial statements of Engineers Against Poverty (EAP) for the year ended 31 December 2013. The Trustees confirm that the annual report and financial statements of the Company comply with current statutory requirements, the requirements of the Company's governing document and the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities

### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

#### **Governing Document**

Engineers Against Poverty is a Company limited by guarantee, (company number 3613056), and a registered Charity, (Charity number 1071974). It was known as The Telford Challenge until 17 October 2003. The power and limits of the Charity are set out in its Memorandum and Articles of Association.

There are no transactions with the Trustees that require disclosure under FRS 8 'Related Party Disclosures'.

#### **Appointment of Trustees**

At the Annual General Meeting in July 2013 Tim Sharp and Paul Jowitt retired by rotation and were re-elected.

#### **Principal Officers**

The following people were employed by EAP during 2013:

- Petter Matthews (Executive Director)
- Jill Wells (Senior Policy and Research Advisor)
- John Hawkins (Programme Manager)
- Bernadine Fernz (Policy and Research Advisor)
- Tendai Nyoka (Finance and Administration Officer)
- Barbora Sladkova (Intern) Joined September 2013

#### **Management of major risks**

The Trustees retain responsibility for a system of internal controls that are designed to manage major risks. These systems provide reasonable but not absolute assurance against inappropriate or ineffective use of resources and against the risk of errors or fraud. The Trustees delegate authority to the Executive Director to conduct an annual review of the major strategic and operational risks that EAP faces and the ways in which they are being monitored, managed and mitigated. The outcomes of this review are reported to the Trustees by the Executive Director and changes in policy are made where necessary. The Trustees are satisfied with the systems in place to monitor, manage and mitigate EAP's exposure to major risks.

### **OBJECTIVES AND ACTIVITIES**

#### **Objects**

The objects of the Charity are for the relief of poverty in particular by assisting in the provision of engineering support for projects and programmes for the relief of poverty anywhere in the world.

#### **Mission**

Our mission is to improve infrastructure policy and engineering practice in order to help reduce and eventually eliminate poverty.

### TRUSTEES' REPORT

For the year ended 31 December 2013

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#### Activities

EAP's Strategic Plan 2012-2017 outlines 5 'Areas of Focus' (1) Infrastructure investment, (2) Transparency, accountability and auditability, (3) Local content, (4) Labour standards and (5) Climate change. EAP fulfils its mission through progress in each of these areas, which are discussed in more detail below.

#### Policies

The Trustees are responsible for establishing the policies that guide the work of the Charity. These policies are designed to make the most effective and efficient use of the resources at its disposal. They are also designed to ensure that EAP meets its obligations to its project partners, corporate and individual supporters and staff. Responsibility for implementing these policies on a day-to-day basis is delegated to the Executive Director who reports to the Trustees on a regular basis.

#### Restrictions

There are no restrictions in the governing documents as to how Engineers Against Poverty may operate.

#### Investment Powers

There are no powers to make investments other than in bank accounts and there is no intention to build up an investment fund.

#### Charitable Contributions

All programme expenditure is for charitable purposes, but no direct contributions for charitable purposes have been made.

#### Liability Insurance

£420 has been expended on Charity Trustees' Liability Insurance.

### PUBLIC BENEFIT

The Trustees have noted the duty in section 4 of the Charities Act 2006 and the guidance of the Charity Commission with regard to public benefit. All our activities are for the public benefit, but we highlight in particular:

- Our promotion of transparency and accountability in infrastructure investment benefits a broad section of the public. The benefits are realised through obtaining better value from public investment and delivering better quality infrastructure and services. All those who pay taxes and use public services are likely to benefit.
- Our policy work directly influences high-level decision makers in governments and international agencies. As a result of our advice public policy is more closely aligned with the needs of poor and marginalised people.
- Our capacity building support strengthens institutions and empowers individuals. Institutions become more effective and individuals are better able to secure their rights and realise their potential.
- Our outreach work informs and inspires numerous audiences including policy-makers, those employed in the construction industry and civil society organisations working in the field of infrastructure and social justice. A proportion of them will think and act in ways that impact more positively on poor people as a result of our work.

**TRUSTEES' REPORT**

**For the year ended 31 December 2013**

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**ACHIEVEMENTS AND PERFORMANCE**

Our Strategic Plan outlines 5 'Areas of Focus' which are summarised here and illustrated with examples.

**Infrastructure investment**

EAP develops knowledge products that help maximise the development benefits of infrastructure investments for poor people. We were recently commissioned for example to develop a 'How to Note' on 'Reducing Corruption in Infrastructure Sectors' for Infrastructure Advisers employed by the Department for International Development. This work is now available to Advisers in 28 countries across Africa, Asia and the Middle East.

**Transparency, accountability and auditability**

EAP promotes transparency and accountability in public investment in infrastructure. This includes hosting the International Secretariat of the Construction Sector Transparency (CoST) initiative. CoST works in 12 countries and has supported the disclosure of information on hundreds of projects. As a result contracts have been cancelled, consultants debarred from future contracts and financial cost savings secured.

**Local content**

Local content refers to efforts aimed at increasing the proportion of goods and services sourced from domestic providers. EAP conducts research and publishes high quality guidance for policy-makers and practitioners. In 2013 this included completing a review of draft local content legislation being developed by the Government of Nigeria. This legislation, once it has been passed, will help to create jobs, promote enterprise development and strengthen the Nigerian construction industry.

**Labour standards**

In many countries construction workers are routinely denied their rights to a safe working environment, payment of a decent wage and the right to reside in habitable accommodation. EAP recently undertook primary research to understand the barriers and opportunities to improving workers' rights in Qatar. The results were published and a series of practical recommendations developed and aimed at the Government of Qatar and other stakeholders. At the end of 2013 it appeared likely that its key recommendations were going to be adopted.

**Climate change**

Climate change is likely to affect many of the world's poorest people earliest and hardest. EAP works to mitigate this impact and where it is inevitable, help poor people adapt to it. In 2013 for example EAP collaborated with the Overseas Development Institute (ODI) to research the impact of biofuels on energy and food production. The work was published by ODI as part of broader research and it has proved very influential in the 'Food vs Fuel' debate.

### TRUSTEES' REPORT

For the year ended 31 December 2013

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#### Support of Organisations

The work of EAP in 2013 would not have been possible without the tremendous support of a range of Organisations.

- Association for Consultancy and Engineering (ACE)
- AMEC
- ARUP
- Balfour Beatty
- Bechtel
- CoST
- Department for International Development
- Engineering UK
- Hogan Lovells
- HTSPE
- Institution of Chemical Engineers
- Institution of Civil Engineers
- Institution of Engineers Tanzania
- Institution of Mechanical Engineers
- The Overseas Development Institute
- Open Society Foundation
- Parsons Brinckerhoff
- Royal Academy of Engineering
- World Bank

#### Support of Individuals

The Trustees offer sincere thanks to all the individuals who have supported the Charity's work in 2013.

#### FINANCIAL REVIEW

##### Accounts

The accounts for the year ended 31 December 2013 are shown in this annual report. The Trustees consider that the reserves are sufficient to meet its needs and obligations. All funds are held on short term deposit.

##### Unrestricted Funds

Expenditure exceeded income by £3,223. The balance on unrestricted funds at 31 December 2013 stood at £93,222.

### TRUSTEES' REPORT

For the year ended 31 December 2013

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#### Reserves

The Trustees have established a Reserves Policy that considers the level of 'free reserves' sufficient to protect the organisation and its charitable programme by providing time to adjust to changing financial circumstances. This limits the risk of disruption to the programme in the event of a shortfall in any of EAP's various sources of income, or an unexpected need for additional expenditure. At the year end the free reserves (i.e. unrestricted funds), were £93,222 which the Trustees consider to be acceptable.

#### PLANS FOR FUTURE PERIODS

Our Strategic Plan for 2012–2017 remains relevant and it will continue to underpin our activities in 2014. CoST is likely to remain our largest programme and whilst we remain committed to it, the Trustees will undertake a programme review in 2014 to ensure that we do not become over-reliant on it as a source of income and a mechanism for realising our charitable objectives. Labour standards will remain a central element of our programme and we will seek to strengthen our work in climate change. We will further improve our internal systems and procedures to help ensure even better value for money for our supporters and increased impact on the lives of poor and marginalised people.

#### STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are the directors of Engineers Against Poverty for the purposes of company law) are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and the incoming resources and application of resources, including the income and expenditure, of the charitable company for the year. 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 Charities SORP,
- 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the detection and prevention of fraud and other irregularities.

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

## **ENGINEERS AGAINST POVERTY**

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### **TRUSTEES' REPORT**

**For the year ended 31 December 2013**

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The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

### **PREPARATION OF THE REPORT**

This report has been prepared in accordance with the provisions of Part VII of the Companies Act 2006 relating to small companies.

### **AUDITORS**

MHA MacIntyre Hudson have indicated their willingness to continue in office and offer themselves for re-appointment as such, under Section 485 of the Companies Act 2006.

### **SMALL COMPANY SPECIAL PROVISIONS**

The report of the Trustees has been prepared taking advantage of the small companies exemption of section 415A of the Companies Act 2006 It was approved, and authorised for issue, by the Trustees on 24th July 2013 and signed on its behalf by:

PAUL JOWITT CBE  
Chairman

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ENGINEERS AGAINST POVERTY (REGISTERED COMPANY NO. 03613056)**

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We have audited the financial statements of Engineers Against Poverty for the year ended 31 December 2013 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of Trustees and auditors**

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees (who are also the directors of Engineers Against Poverty for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Report of the Trustee to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2013, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
ENGINEERS AGAINST POVERTY (REGISTERED COMPANY NO. 03613056)  
(Continued)**

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**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Report of the Trustee for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all of the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the directors' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

James Gare (Senior Statutory Auditor)

For and on behalf of:

**MHA MacIntyre Hudson**

Chartered Accountants & Statutory Auditor

New Bridge Street House

30-34 New Bridge Street

London EC4V 6BJ

Date:

**ENGINEERS AGAINST POVERTY**

**STATEMENT OF FINANCIAL ACTIVITIES**  
**(incorporating Income and Expenditure Account )**  
**For the year ended 31 December 2013**

	Notes	Unrestricted Funds 2013 £	Restricted Funds 2013 £	Total Funds 2013 £	<i>Total Funds 2012 £</i>
<b>INCOMING RESOURCES</b>					
Incoming resources from generated funds:					
Voluntary income	2	7,542	-	7,542	38,361
Bank interest receivable		62	-	62	73
Incoming resources from charitable activities	3	<u>83,437</u>	<u>423,650</u>	<u>507,087</u>	<u>597,430</u>
<b>TOTAL INCOMING RESOURCES</b>		<u>91,041</u>	<u>423,650</u>	<u>514,691</u>	<u>635,864</u>
<b>RESOURCES EXPENDED</b>					
Costs of generating funds		13,734	-	13,734	13,402
Charitable programmes	4	115,579	368,979	484,558	616,749
Governance costs		1,109	18,513	19,622	17,144
<b>TOTAL RESOURCES EXPENDED</b>	5	<u>130,422</u>	<u>387,492</u>	<u>517,914</u>	<u>647,295</u>
<b>Net movement in funds</b>		(39,381)	36,158	(3,223)	(11,431)
<b>TOTAL FUNDS BROUGHT FORWARD</b>		132,603	(21,241)	111,362	122,793
<b>TOTAL FUNDS CARRIED FORWARD</b>		<u>£ 93,222</u>	<u>£ 14,917</u>	<u>£ 108,139</u>	<u>£ 111,362</u>

The annexed notes form part of these financial statements

**ENGINEERS AGAINST POVERTY (company limited by guarantee)**

**BALANCE SHEET**  
As at 31 December 2013

	Notes	2013	2012
		£	£
<b>FIXED ASSETS</b>			
Tangible assets	9	<b>2,504</b>	174
<b>CURRENT ASSETS</b>			
Debtors	10	<b>17,784</b>	19,236
Cash at bank and in hand		<b>131,377</b>	167,655
		<b>149,161</b>	186,891
<b>CREDITORS: amounts falling due within one year</b>	11	<b>(43,526)</b>	(75,703)
<b>NET CURRENT ASSETS/ TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>105,635</b>	111,188
<b>NET ASSETS</b>		<b>£ 108,139</b>	<b>£ 111,362</b>
<b>FUNDS</b>			
Restricted funds	12	<b>14,917</b>	(21,241)
Unrestricted funds:			
General fund	12	<b>93,222</b>	132,603
		<b>£ 108,139</b>	<b>£ 111,362</b>

These financial statements have been prepared in accordance with the provisions of the Companies Act 2006 applicable to companies subject to the small companies' regime and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008). They were approved, and authorised for issue, by the Trustees on 24 July 2014 and signed on their behalf by:-

\_\_\_\_\_  
PROFESSOR PAUL JOWITT CBE, Chairman

\_\_\_\_\_  
JOANNE DOWNHAM, Treasurer

The annexed notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2013

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1. ACCOUNTING POLICIES

***Basis of preparation of financial statements***

The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006, applicable accounting standards, the Charities SORP (Statement of Recommended Practice: "Accounting and Reporting by Charities" published in March 2005) and the Financial Reporting Standard for Smaller Entities (effective April 2008).

The effects of events relating to the year ended 31 December 2013 which occurred before the date of approval of the financial statements by the Trustee has been included in the financial statements to the extent required to show a true and fair view of the state of affairs at 31 December 2013 and the results for the year ended on that date.

***Company status***

Engineers Against Poverty is a company limited by guarantee. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the Charity.

***Fund accounting***

The general funds comprises of unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objects of the Charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors which have been raised by the Charity for particular purposes. The cost of such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements. Statutory grants which are given as contributions towards the Charity's core services are treated as unrestricted.

***Incoming resources***

All incoming resources are included in the Statement of Financial Activities when the Charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Occasionally the Charity receives a small amount of professional advice on a pro bono basis, the value of which is not included in the financial statements as the amounts are not significant.

Income tax recoverable in relation to Gift Aid donations is recognised at the time the relevant income is receivable.

Income from sponsorship events is recognised at the earlier of the date the cash is received, or the date of the event itself.

***Resources expended***

All expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities. Support costs, which cannot be directly attributed to particular activities, have been apportioned proportionately to the direct staff costs allocated to the activities. Governance costs include the costs of servicing Trustees' meetings, audit and strategic planning.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2013

**Tangible fixed assets and depreciation**

Assets with a cost of more than £500 are capitalised.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Office equipment and Website development                      over 3 years

**Foreign currencies**

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. All differences are taken to the statement of financial activities.

**Pensions**

The Charity contributes to the Director's defined contribution pension scheme. Contributions are charged to the Statement of Financial Activities as they become payable.

2. VOLUNTARY INCOME	Unrestricted Funds 2013 £	Restricted Funds 2013 £	Total Funds 2013 £	Total Funds 2012 £
Donations	4,444	-	4,444	21,630
Sponsored fundraising events	1,276	-	1,276	13,692
Appeals	1,822	-	1,822	3,039
	<u>£ 7,542</u>	<u>£ Nil</u>	<u>£ 7,542</u>	<u>£ 38,361</u>

3. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Unrestricted Funds 2013 £	Restricted Funds 2013 £	Total Funds 2013 £	Total Funds 2012 £
Department for International Development:				
- Development Awareness Fund	-	-	-	87,810
- Civil Society Challenge Fund	-	-	-	52,114
World Bank		364,851	364,851	254,762
Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)	-	-	-	164,048
Income from other institutions	4,000	58,799	62,799	31,351
Consultancy	79,437	-	79,437	7,345
	<u>£ 83,437</u>	<u>£ 423,650</u>	<u>£ 507,087</u>	<u>£ 597,430</u>

## ENGINEERS AGAINST POVERTY

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2013

#### 4. CHARITABLE PROGRAMMES EXPENDITURE

	Unrestricted Funds 2013 £	Restricted Funds 2013 £	Total Funds 2013 £	Total Funds 2012 £
Programme travel & subsistence	959	22,258	23,217	19,972
UK travel	3,037	-	3,037	1,041
Training & overseas programme costs	54,070	164,612	218,682	383,603
Allocation of salary costs	38,772	135,321	174,093	157,960
Allocation of support costs	18,561	46,788	65,349	54,173
	<u>£ 115,579</u>	<u>£ 368,979</u>	<u>£ 484,558</u>	<u>£ 616,749</u>

#### 5. RESOURCES EXPENDED

	Staff costs £	Direct costs £	Support costs £	Total 2013 £	Total 2012 £
Costs of generating funds	9,408	695	3,631	13,734	13,402
Charitable programmes	174,093	245,116	65,349	484,558	616,749
Governance costs	9,408	6,583	3,631	19,622	17,144
Support costs	27,401	45,210	(72,611)	-	-
	<u>£ 220,310</u>	<u>£ 297,604</u>	<u>£ Nil</u>	<u>£ 517,914</u>	<u>£ 647,295</u>

Resources expended include:

	2013 £	2012 £
Auditors' remuneration: Audit fee (Net of VAT)	5,100	5,000
Depreciation	<u>63</u>	<u>101</u>

Details of staff costs are given in Note 7.

## ENGINEERS AGAINST POVERTY

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2013

#### 6. SUPPORT COSTS

	2013	2012
	£	£
Staff support costs	27,401	26,606
Rent and other services	14,788	13,881
Stationery	148	336
Insurance	1,554	1,420
Subscriptions	283	689
IT and communications	4,071	2,455
Advertising and promotion	198	198
Meetings	684	1,585
Depreciation	63	101
Bank charges	711	720
Other office expenses	1,210	1,454
Publications	655	641
Foreign exchange loss	20,845	10,105
	<u>£ 72,611</u>	<u>£ 60,191</u>

Support costs have been allocated to the Charity's activities on the basis of staff costs.

#### 7. STAFF NUMBERS AND COSTS

	2013	2012
	£	£
Salaries	193,997	178,649
Social security costs	21,246	19,408
Pension costs	4,743	4,663
	<u>219,986</u>	<u>202,720</u>
Other staff costs	324	116
Total staff costs	<u>£ 220,310</u>	<u>£ 202,836</u>

The average number of staff employed during the year, calculated as full time equivalents, were as follows:

	Number	Number
Administration and directorate	2.0	2.0
Project Programme Officers	2.8	2.4
	<u>4.8</u>	<u>4.4</u>

All staff worked on direct charitable activities with the exception of 10% of the Executive Director's salary being allocated to governance and 10% to cost of generating funds. The Finance and Administration Officer's salary is also allocated 10% to governance and 10% to the cost of generating funds with the remaining 80% being allocated as the support cost element of staff costs. Other staff costs are shown as support cost element of staff costs in note 5.

No employee received remuneration of more than £60,000 in the year or the previous year.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2013

8. RELATED PARTIES

During the year, no Trustee received any remuneration (2012 - £Nil). £570 was reimbursed during the year to one Trustee for travel and other expenses incurred on Charity business (2012 - £2,180).

A Trustee of the Charity, Ron Watermeyer, is also a Director of Infrastructure Operations (Pty)Ltd. During the year the Charity incurred programme expenses of £30,841 to Infrastructure Operations (2012 - Nil). The Trustees consider that the services were supplied on an arms length basis.

9. TANGIBLE FIXED ASSETS

	Computer equipment £	Website £	Total £
<b>Cost</b>			
At 1 January 2013	2,180	-	2,180
Additions	-	2,393	2,393
At 31 December 2013	<u>£ 2,180</u>	<u>£ 2,393</u>	<u>4,573</u>
<b>Depreciation</b>			
At 1 January 2013	2,006	-	2,006
Charge for the year	63	-	63
At 31 December 2013	<u>£ 2,069</u>	<u>£ Nil</u>	<u>2,069</u>
<b>Net book value</b>			
At 31 December 2013	<u>£ 111</u>	<u>£ 2,393</u>	<u>£ 2,504</u>
At 31 December 2012	<u>£ 174</u>	<u>£ Nil</u>	<u>£ 174</u>

Website development costs have not been depreciated in the year as the website was not completed until very close to year end.

10. DEBTORS

	2013 £	2012 £
<b>Due within one year</b>		
Grants and contract fees receivable	16,713	15,718
VAT repayment due	6	49
Prepayments	1,012	3,382
Gift Aid tax recoverable	53	87
	<u>£ 17,784</u>	<u>£ 19,236</u>

## ENGINEERS AGAINST POVERTY

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2013

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2013	2012
	£	£
Trade creditors	11,887	37,859
Payable to Institution of Civil Engineers	18,239	15,614
Deferred grant income	4,924	-
Grant repayable	-	14,918
Accruals	8,476	7,312
	<u>£ 43,526</u>	<u>£ 75,703</u>

	2013	2012
	£	£
<u>Deferred grant income</u>		
Amount deferred in the year	4,924	-
Balance at the end of the year	<u>£ 4,924</u>	<u>£ Nil</u>

12. STATEMENT OF FUNDS	Brought Forward	Incoming Resources	Resources Expended	Carried Forward
	£	£	£	£
<b>RESTRICTED FUNDS</b>				
CoST DGF	(21,241)	364,851	(328,693)	14,917
Open Society Foundation	-	58,799	(58,799)	-
	<u>(21,241)</u>	<u>423,650</u>	<u>(387,492)</u>	<u>14,917</u>
<b>UNRESTRICTED FUNDS</b>				
General Fund	132,603	91,041	(130,422)	93,222
	<u>£ 111,362</u>	<u>£ 514,691</u>	<u>£ (517,914)</u>	<u>£ 108,139</u>

The CoST DGF fund represents grants received from the World Bank to support the Construction Sector Transparency Initiative.

Open Society Foundation fund was given to develop a set of recommendations to help the Qatari government improve implementation of labour law and health and safety regulations pertaining to the migrant workers in the construction industry

### 13. COMMITMENTS UNDER OPERATING LEASES

	2013	2012
	£	£
At the year end the Charity had the following commitments under the non-cancellable operating lease on leasehold property:	<u>£ 12,240</u>	<u>£ 5,400</u>