

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

**REPORT AND FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 2011**

# **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 2011

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## ENGINEERS AGAINST POVERTY

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### REFERENCE AND ADMINISTRATIVE DETAILS

For the year ended 31 December 2011

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|                           |   |  |
|---------------------------|---|--|
| <b>Trustees</b>           | Douglas Oakervee OBE FEng<br>Robert Howard - Jones<br>Neil Bruce<br>Professor Paul Jowitt<br>Tony Marshall<br>Tim Sharp<br>Ronald Watermeyer<br>Nelson Ogunshakin<br>Joanne Downham | Chairman - resigned 1 January 2011<br>Treasurer - resigned 19 July 2011<br><br>Chairman - appointed 1 January 2011<br><br>Appointed 8 March 2011<br>Treasurer - appointed 19 July 2011 |
| <b>Vice President</b>     | John Hodges CMG   |  |
| <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<br>246 High Holborn<br>London WC1V 7EX   |  |
| <b>Auditors</b>           | MHA MacIntyre Hudson<br>Chartered Accountants & Statutory Auditor<br>New Bridge Street House<br>30-34 New Bridge Street<br>London EC4V 6BJ  |  |
| <b>Bankers</b>            | National Westminster Bank Plc<br>Charing Cross Branch<br>PO Box 113, Cavell House<br>2a Charing Cross Road<br>London WC2H 0NN   |  |

## **ENGINEERS AGAINST POVERTY**

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### **TRUSTEE' REPORT**

**For the year ended 31 December 2011**

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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 2011. 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 (revised 2005)'.

### **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**

Olawale Nelson Ogunshakin was appointed as a Trustee in March 2011. At the Annual General Meeting in July 2011 Tony Marshall and Robert Howard - Jones resigned by rotation. Tony Marshall was re-elected as a Trustee and Joanne Downham was appointed as a Trustee.

#### **Principal Officers**

The following people were employed by EAP during 2011:

- Petter Matthews (Executive Director)
- Jill Wells (Senior Policy and Research Advisor)
- Lily Ryan-Collins (Programme Officer). Left in August 2011.
- John Hawkins (Programme Manager). Joined in November 2011.
- Tendai Nyoka (Finance and Administration Officer)

#### **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**

Engineers Against Poverty works with industry, government and civil society to fight poverty and promote sustainable development.

**TRUSTEE' REPORT**

**For the year ended 31 December 2011**

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**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. Society benefits in general terms from infrastructure and services that are delivered efficiently and in ways that meet the needs of people. EAP undertakes research that helps to understand the particular needs of poor and marginalised people and develops practical solutions to their problems. These solutions are communicated to policy makers and practitioners indirectly in the form of high quality publications and directly through targeted briefing notes and policy advice. Major international agencies, companies and governments think and act in ways that benefit poor people more as a result of their interaction with us.

**ACHIEVEMENTS AND PERFORMANCE**

We have continued to establish our reputation as a thought leader in the areas of construction, procurement, transparency and local content in relation to international development. The following examples help to illustrate this.

**The Construction Sector Transparency Initiative (CoST)**

EAP was appointed to run the CoST International Secretariat. This came at a crucial period for the programme as it was in transition from a successful three year pilot project, to an ambitious full scale international initiative. Our responsibilities have involved completing the design of the global programme, administering interim governance arrangements and securing finance. The resources for this work are being provided by the World Bank in the form of a grant valued at \$1.5m over three years.

Recognition of the value of CoST was evident at national and international levels. The eight countries that were involved in the pilot project have remained involved during this interim period and a number of additional countries have expressed their intention to join the international programme. At the international level CoST was included in a report on infrastructure by the Multilateral development Banks that was submitted to the G20 and as result, the G20 endorsed CoST in its final communique of the Cannes Summit.

## **ENGINEERS AGAINST POVERTY**

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### **TRUSTEE' REPORT**

**For the year ended 31 December 2011**

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#### **Oil, Gas and Mining**

2011 saw the publication of two high profile publications that had been started in 2010. First, the International Finance Corporation published its highly influential 'A Guide to getting started in Local Procurement' that is aimed at oil, gas and mining companies and the contractors that provide services to them. Second, IPIECA, the global oil and gas industry association for environmental and social issues published its 'Local content strategy: A guidance document for the oil and gas industry'. EAP authored both of these publications, that together have been read by tens of thousands of policy-makers and practitioners. As a result of our work they are thinking and acting in ways that will create better opportunities for poor people.

#### **Engineering Education**

It is the engineers who are being educated today that will shape the profession's role in fighting poverty and promoting sustainable development tomorrow. That's why we continued in 2011 to work with the Engineering Council, Institute of Education and leading universities to ensure the curricula equips engineering undergraduates with the skills, knowledge and attitudes that are needed for that task. We ran professional development workshops, provided policy advice and produced resources as part of the 'Global dimension in Engineering Education' project.

#### **Support of Organisations**

The work of EAP in 2011 would not have been possible without the tremendous support of a range of Organisations.

- AMEC
- ARUP
- Balfour Beatty
- Chartered Institution of Water and Environmental Management
- Department for International Development
- Engineering Council
- Engineering UK
- Institution of Civil Engineers
- Institution of Engineers Tanzania
- Institution of Highways and Transportation Foundation
- Institution of Mechanical Engineers
- Royal Academy of Engineering
- South African Institution of Civil Engineering
- World Bank

#### **Support of Individuals**

The Trustees offer sincere thanks to all the individuals who have supported the Charity's work in 2011.

## **FINANCIAL REVIEW**

#### **Accounts**

The accounts for the year ended 31 December 2011 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**

Income exceeded expenditure by £13,802. The balance on unrestricted funds at 31 December 2011 stood at £122,793.

**TRUSTEE' REPORT**

**For the year ended 31 December 2011**

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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 Reserves were £122,793 which the Trustees consider to be acceptable.

**PLANS FOR FUTURE PERIODS**

The trustees recently initiated a process to develop a strategic plan that will guide our future programme. We do not anticipate any radical departure from what we have done previously, but we will seek to extend our influence and deliver even better value for money to our supporters. The CoST programme will feature prominently in this plan and we expect to launch the global programme and secure the support of major donors in the next period.

**STATEMENT OF TRUSTEES' RESPONSIBILITIES**

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

Company and charity law applicable to charities in England/Wales requires the Trustees to prepare financial statements for each financial year. Under the law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the Company and of the surplus or deficit of the Company for that period. In preparing those 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.

They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the detection and prevention of fraud and other irregularities.

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

**STATEMENT OF DISCLOSURE OF INFORMATION TO AUDITORS**

The Trustees have confirmed that, so far as they 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 as directors to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

**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.

## **ENGINEERS AGAINST POVERTY**

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### **TRUSTEE' REPORT**

**For the year ended 31 December 2011**

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#### **AUDITORS**

The Company's auditors, Gotham Erskine LLP have become the Not for Profit Team at MHA MacIntyre Hudson, the trading name of MacIntyre Hudson LLP. 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 18th July 2012 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 2011 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 Trustees' Report to identify material inconsistencies with the audited financial statements. 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 2011, 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 properly prepared in accordance with the requirements of the Companies Act 2006.

### **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.

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

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**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 Report of the Trustees.

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 2011

|   | Notes | Unrestricted<br>Funds<br>2011<br>£ | Restricted<br>Funds<br>2011<br>£ | Total<br>Funds<br>2011<br>£ | Total<br>Funds<br>2010<br>£ |
|---|-------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| <b>INCOMING RESOURCES</b>                     |       |                                    |                                  |                             |                             |
| Incoming resources from generated funds:      |       |                                    |                                  |                             |                             |
| Voluntary income                              | 2     | 29,064                             | -                                | 29,064                      | 55,860                      |
| Bank interest receivable                      |       | 45                                 | -                                | 45                          | 48                          |
| Incoming resources from charitable activities |       |                                    |                                  |                             |                             |
| Other income: Foreign exchange gain           | 3     | 234,829                            | 170,835                          | 405,664                     | 383,600                     |
|   |       | 3,530                              | -                                | 3,530                       | -                           |
| <b>TOTAL INCOMING RESOURCES</b>               |       | <b>267,468</b>                     | <b>170,835</b>                   | <b>438,303</b>              | <b>439,508</b>              |
| <b>RESOURCES EXPENDED</b>                     |       |                                    |                                  |                             |                             |
| Costs of generating funds                     |       |                                    |                                  |                             |                             |
| Charitable programmes                         | 4     | 12,134                             | -                                | 12,134                      | 28,399                      |
| Governance costs                              |       | 224,981                            | 170,835                          | 395,816                     | 351,885                     |
|   |       | 16,551                             | -                                | 16,551                      | 15,833                      |
| <b>TOTAL RESOURCES EXPENDED</b>               | 5     | <b>253,666</b>                     | <b>170,835</b>                   | <b>424,501</b>              | <b>396,117</b>              |
| <b>Net movement in funds</b>                  |       | <b>13,802</b>                      | <b>-</b>                         | <b>13,802</b>               | <b>43,391</b>               |
| <b>TOTAL FUNDS BROUGHT FORWARD</b>            |       | <b>108,991</b>                     | <b>-</b>                         | <b>108,991</b>              | <b>65,600</b>               |
| <b>TOTAL FUNDS CARRIED FORWARD</b>            |       | <b>£ 122,793</b>                   | <b>£ Nil</b>                     | <b>£ 122,793</b>            | <b>£ 108,991</b>            |

The annexed notes form part of these financial statements

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

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**BALANCE SHEET**  
**As at 31 December 2011**

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|  | Notes | £                | 2011<br>£        | £               | 2010<br>£        |
|--|-------|------------------|------------------|-----------------|------------------|
| <b>FIXED ASSETS</b>  |       |                  |                  |                 |                  |
| Tangible assets  | 9     |                  | <b>84</b>        |                 | 178              |
| <b>CURRENT ASSETS</b>  |       |                  |                  |                 |                  |
| Debtors  | 10    | <b>62,738</b>    |                  | 113,437         |                  |
| Cash at bank and in hand   |       | <b>412,488</b>   |                  | 88,714          |                  |
|  |       |                  | <hr/>            | <hr/>           |                  |
|  |       | <b>475,226</b>   |                  | 202,151         |                  |
| <b>CREDITORS: amounts falling due within one year</b>            | 11    | <b>(352,517)</b> |                  | <b>(93,338)</b> |                  |
|  |       |                  | <hr/>            | <hr/>           |                  |
| <b>NET CURRENT ASSETS/ TOTAL ASSETS LESS CURRENT LIABILITIES</b> |       |                  | <b>122,709</b>   |                 | 108,813          |
| <b>NET ASSETS</b>  |       |                  | <u>£ 122,793</u> |                 | <u>£ 108,991</u> |
| <b>FUNDS</b>   |       |                  |                  |                 |                  |
| Unrestricted funds:  |       |                  |                  |                 |                  |
| General fund   | 12    |                  | <b>122,793</b>   |                 | 108,991          |
|  |       |                  | <hr/>            | <hr/>           |                  |
|  |       |                  | <u>£ 122,793</u> |                 | <u>£ 108,991</u> |

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 18 July 2012 and signed on their behalf by:-

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PROFESSOR PAUL JOWITT CBE, Chairman

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JOANNE DOWNHAM, Treasurer

The annexed notes form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 2011

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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 2011 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 2011 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 raising and administering 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 2011

**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 - 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<br>Funds<br>2011<br>£ | Restricted<br>Funds<br>2011<br>£ | Total<br>Funds<br>2011<br>£ | Total<br>Funds<br>2010<br>£ |
|-----------------------------------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Donations                         | 19,837                             | -                                | 19,837                      | 24,568                      |
| Sponsored fundraising event       | 7,212                              | -                                | 7,212                       | 19,753                      |
| Appeals                           | 2,015                              | -                                | 2,015                       | 4,008                       |
| In-kind support - office services | -                                  | -                                | -                           | 7,531                       |
|                                   | <b>£ 29,064</b>                    | <b>£ Nil</b>                     | <b>£ 29,064</b>             | <b>£ 55,860</b>             |

**3. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES**

|   | Unrestricted<br>Funds<br>2011<br>£ | Restricted<br>Funds<br>2011<br>£ | Total<br>Funds<br>2011<br>£ | Total<br>Funds<br>2010<br>£ |
|---|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Department for International Development: |                                    |                                  |                             |                             |
| - Development Awareness Fund              | -                                  | 65,017                           | 65,017                      | 55,274                      |
| - Civil Society Challenge Fund            | -                                  | 52,114                           | 52,114                      | 48,170                      |
| World Bank                                | -                                  | 48,784                           | 48,784                      | -                           |
| Income from other institutions            | 16,500                             | 4,920                            | 21,420                      | 15,000                      |
| Other earned income                       | 218,329                            | -                                | 218,329                     | 265,156                     |
|   | <b>£ 234,829</b>                   | <b>£ 170,835</b>                 | <b>£ 405,664</b>            | <b>£ 383,600</b>            |

Income from other institutions includes funding provided from the Institution of Civil Engineers to assist with research projects. Other earned income includes fees from training courses and consultancy work.

## ENGINEERS AGAINST POVERTY

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2011

#### 4. CHARITABLE PROGRAMMES EXPENDITURE

|                                     | Unrestricted<br>Funds<br>2011<br>£ | Restricted<br>Funds<br>2011<br>£ | Total<br>Funds<br>2011<br>£ | Total<br>Funds<br>2010<br>£ |
|-------------------------------------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Consultancy                         | -                                  | -                                | -                           | 10,084                      |
| Publications                        | -                                  | -                                | -                           | 1,886                       |
| Conferences, seminars & events      | -                                  | -                                | -                           | 24,519                      |
| Programme travel & subsistence      | 10,546                             | 2,126                            | 12,672                      | 15,316                      |
| UK travel                           | 212                                | -                                | 212                         | 1,047                       |
| Training & overseas programme costs | 88,943                             | 145,238                          | 234,181                     | 126,664                     |
| Allocation of salary costs          | 86,361                             | 21,715                           | 108,076                     | 131,390                     |
| Allocation of support costs         | 38,919                             | 1,756                            | 40,675                      | 40,979                      |
|                                     | <u>£ 224,981</u>                   | <u>£ 170,835</u>                 | <u>£ 395,816</u>            | <u>£ 351,885</u>            |

Training and overseas programme costs includes £46,349 (2010: £64,746) of grants payable to the Institute of Engineers Tanzania to cover local programme related costs for the project entitled Strengthening Workers' Rights in the Construction Industry in Tanzania.

#### 5. RESOURCES EXPENDED

|                           | Staff costs<br>£ | Direct costs<br>£ | Support<br>costs<br>£ | Total 2011<br>£  | Total 2010<br>£  |
|---------------------------|------------------|-------------------|-----------------------|------------------|------------------|
| Costs of generating funds | 8,441            | 383               | 3,310                 | 12,134           | 28,399           |
| Charitable programmes     | 108,076          | 247,065           | 40,675                | 395,816          | 351,885          |
| Governance costs          | 8,441            | 4,800             | 3,310                 | 16,551           | 15,833           |
| Support costs             | 24,704           | 22,591            | (47,295)              | -                | -                |
|                           | <u>£ 149,662</u> | <u>£ 274,839</u>  | <u>£ Nil</u>          | <u>£ 424,501</u> | <u>£ 396,117</u> |

Resources expended include:

|                                   | 2011<br>£ | 2010<br>£ |
|-----------------------------------|-----------|-----------|
| Auditors' remuneration: Audit fee | 4,800     | 4,648     |
| Depreciation                      | <u>94</u> | <u>99</u> |

Details of staff costs are given in Note 7.

## ENGINEERS AGAINST POVERTY

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2011

#### 6. SUPPORT COSTS

|                                   | 2011            | 2010            |
|-----------------------------------|-----------------|-----------------|
|                                   | £               | £               |
| Staff support costs               | 24,704          | 23,939          |
| Rent and other services           | 11,104          | 8,912           |
| Stationery                        | 61              | 515             |
| Insurance                         | 1,381           | 1,327           |
| Subscriptions                     | 1,437           | 679             |
| IT and communications             | 1,264           | 1,009           |
| Advertising and promotion         | 216             | 211             |
| Meetings                          | 1,273           | 374             |
| Depreciation                      | 94              | 99              |
| Bank charges                      | 741             | 528             |
| Professional fees                 | 4,149           | 5,850           |
| In kind support - office services | -               | 7,531           |
| Other office expenses             | 871             | 2,008           |
|                                   | <b>£ 47,295</b> | <b>£ 52,982</b> |

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

#### 7. STAFF NUMBERS AND COSTS

|                       | 2011             | 2010             |
|-----------------------|------------------|------------------|
|                       | £                | £                |
| Salaries              | 131,402          | 151,298          |
| Social security costs | 14,341           | 16,381           |
| Pension costs         | 3,660            | 3,511            |
|                       | <b>149,403</b>   | <b>171,190</b>   |
| Other staff costs     | 259              | 769              |
| Total staff costs     | <b>£ 149,662</b> | <b>£ 171,959</b> |

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     | 1.6        | 2.0        |
|                                | <b>3.6</b> | <b>4.0</b> |

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.



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**8. RELATED PARTIES**

During the year, no Trustee received any remuneration (2010 - £Nil). £607 was reimbursed during the year to one Trustee for travel and other expenses incurred on Charity business (2010 - £Nil).

**9. TANGIBLE FIXED ASSETS - Office equipment**

|  | £            |
|--|--------------|
| <b>Cost</b>                            |              |
| At 1 January 2011 and 31 December 2011 | <u>1,989</u> |
| <b>Depreciation</b>                    |              |
| At 1 January 2011                      | 1,811        |
| Charge for the year                    | <u>94</u>    |
| At 31 December 2011                    | <u>1,905</u> |
| <b>Net book value</b>                  |              |
| At 31 December 2011                    | <u>£ 84</u>  |
| At 31 December 2010                    | <u>£ 178</u> |

**10. DEBTORS**

|                                     | 2011            | 2010             |
|-------------------------------------|-----------------|------------------|
| <b>Due within one year</b>          | £               | £                |
| Grants and contract fees receivable | 59,971          | 112,613          |
| Prepayments                         | 2,561           | 498              |
| Gift Aid tax recoverable            | 206             | 326              |
|                                     | <u>£ 62,738</u> | <u>£ 113,437</u> |

**11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

|   | 2011             | 2010            |
|---|------------------|-----------------|
|   | £                | £               |
| Trade creditors                           | 17,302           | 27,063          |
| VAT creditor                              | 3,147            | 10,223          |
| Payable to Institution of Civil Engineers | 25,245           | 41,886          |
| Deferred grant income (see below)         | 269,680          | -               |
| Accruals                                  | 37,143           | 14,166          |
|   | <u>£ 352,517</u> | <u>£ 93,338</u> |
| <u>Deferred grant income</u>              |                  |                 |
| Amount deferred in the year               | <u>269,680</u>   | -               |
| Balance at the end of the year            | <u>£ 269,680</u> | <u>£ Nil</u>    |

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| <b>12. STATEMENT OF FUNDS</b> | <b>Brought Forward</b> | <b>Incoming Resources</b> | <b>Resources Expended</b> | <b>Carried Forward</b> |
|-------------------------------|------------------------|---------------------------|---------------------------|------------------------|
|                               | £                      | £                         | £                         | £                      |
| <b>RESTRICTED FUNDS</b>       |                        |                           |                           |                        |
| Development Awareness         | -                      | 65,017                    | (65,017)                  | -                      |
| Civil Society Challenge       | -                      | 52,114                    | (52,114)                  | -                      |
| CoST DGF                      | -                      | 48,784                    | (48,784)                  | -                      |
| Ingenious                     | -                      | 4,920                     | (4,920)                   | -                      |
|                               | -                      | <u>170,835</u>            | <u>(170,835)</u>          | -                      |
| <b>UNRESTRICTED FUNDS</b>     |                        |                           |                           |                        |
| General Fund                  | <u>108,991</u>         | <u>267,468</u>            | <u>(253,666)</u>          | <u>122,793</u>         |
|                               | <u>£ 108,991</u>       | <u>£ 438,303</u>          | <u>£ (424,501)</u>        | <u>£ 122,793</u>       |

The Development Awareness fund represents grant funding from the Department for International Development for a project entitled "Developing a Global Curriculum for Engineering".

The Civil Society Challenge fund represents grant funding from the Department for International Development for a project entitled "Strengthening Workers' Rights in the Construction Industry in Tanzania".

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

The Ingenious fund represents funding from the Royal Academy of Engineering for the project entitled 'An engineers toolkit for a developing world'.

All assets and liabilities at the year end were held for unrestricted purposes.

**13. COMMITMENTS UNDER OPERATING LEASES**

|  | <b>2011</b>     | <b>2010</b>     |
|--|-----------------|-----------------|
|  | £               | £               |
| At the year end the Charity had the following commitments under the non-cancellable operating lease on leasehold property expiring in March 2014 | <u>£ 12,000</u> | <u>£ 12,000</u> |