



## **Enginuity**

**(formerly Science, Engineering And Manufacturing  
Technologies Alliance)**

**Annual Report and Consolidated Financial Statements**

**for the year ended 31 March 2024**

Company Number: 02324869

Charity Number: 1000328

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 London  
 SE1 2AU

**Board Members**

Dame J Hackitt DBE (Chair)  
 M Evans  
 S Hunter  
 J Lopes (resigned 13 March 2024)  
 S Pamplin  
 M Tarry  
 P Birt  
 S Sandle (resigned 28 September 2023)  
 A Burke (resigned 31 December 2023)  
 J Wood  
 V Saward  
 P Perera

**Chief Executive**

A Watson

**REPORT OF THE CHAIR BY DAME JUDITH HACKITT DBE**

When Enginuity launched its 'Manifesto for Change' last year, my comments reflected on the dynamic pace of change influencing the future of the engineering and manufacturing sector job roles. The burgeoning impact of digital technologies further sharpens the need to focus on training and development, putting skills at the heart of future UK productivity and success. The critical thinking skills of engineers are vital in tackling and finding solutions to the most significant challenges facing society. Working collaboratively across the sector, Enginuity brings together stakeholders that represent a wide range of adjacent industries in which engineering and manufacturing skills are relevant. Many of the solutions Enginuity has developed, and the interventions it has made, are based on ground-breaking research and a detailed understanding of the skills challenges affecting the sector.

Following a period during which Enginuity was focused on building its capacity and capability to support the sector, the last year has enabled us to demonstrate significant impact on a wide range of beneficiaries. These have included apprentices in receipt of bursaries from the Enginuity Opportunity Fund, managers from small employers accessing leadership training, as well as funding scholarships, allowing higher education students to access Masters programmes that otherwise would have been financially out of reach.

Charitable outcomes are robustly measured against Enginuity's Theory of Change impact framework, giving us the ability to demonstrate direct and indirect impact of our work. The organisation has grown closer to its stakeholder audience and is building a greater understanding of its needs. This in turn enables us to voice those needs to Government and other stakeholders. The Enginuity Strategic Advisory Group, which I chair, brings employers of all sizes together with higher education that enables the Enginuity Board of Trustees to be well informed on the current issues that really matter.

Enginuity Group reported a robust financial performance at the year end, enabling the organisation to invest in its aims and objectives with a stronger focus on the needs of SMEs within the engineering and manufacturing supply chain.

Enginuity continues to engage with all UK governments, employer organisations and arms-length bodies, responding to consultations and working to support the development and improvement of qualifications frameworks. During 2023-24, this included a response to Department for Education's proposals on a new Advanced British Standard qualification, supporting employers in Scotland and Wales in the development and review of National Occupational Standards and Apprenticeship Frameworks and raising awareness of T Levels in partnership with the Royal Academy of Engineering, Make UK, and the Gatsby Foundation.

EAL has shown strong performance in achieving its financial targets and has made excellent progress with its transformation programme, continuing to improve its use of technology, including a new end point assessment system, to augment services to customers. Assessment volumes continue to increase with high first-time pass rates and positive levels of customer satisfaction.

The Enginuity team has benefited from its own investment in internal leadership and management development with the successful rollout of its 'Lead to Succeed' training programme. The programme is now being made available to Engineering and Manufacturing SMEs. Enginuity continues to focus on improving employee wellbeing and engagement, showing improving index ratings, culminating in everyone coming together at our all-colleague conference at Sheffield City Hall in March 2024.

Next year will see the team focus on 30 unique charitable projects as part of a broader five-year vision and we plan to measure the impact of them all so that we know what works best with different groups. The achievement of our objectives is set to be strengthened by the development of a movement-based community of key stakeholders working together as part of a strong commitment to closing the skills gap. We look forward to introducing this in the year ahead. I am proud of the success that the Enginuity team has achieved over the last year and the progress it has made as its journey unfolds.

Following a seven-year term, I am stepping down as Enginuity's Chair, a highly rewarding role which I have very much enjoyed. The position will be taken up by Sir Jim McDonald, Principal and Vice-Chancellor of the University of Strathclyde, whom I know will be a worthy successor. It has been a pleasure to work alongside our dedicated Trustees over the years, on whom we rely for their unfailing commitment and support. I wish the entire Enginuity team the very best of success for the future.

## 1. ADMINISTRATIVE DETAILS

ENGINUITY is a company, limited by guarantee (company number 02324869) and does not have share capital, which is incorporated in England and Wales under the Companies Act 2006. It is a registered charity (charity number 1000328) governed by its memorandum and articles of association. The charity owns 100% of the allotted ordinary share capital of two trading subsidiaries, Excellence, Achievements and Learning Limited (EAL) – company number 02700780 and Enginuity Skills Limited (ESL) – company number 12172530.

The members of the Board who held office during the year were:

Dame J Hackitt DBE (Chair)

M Evans 2

S Hunter

J Lopes (resigned March 2024)

S Pamplin 6

M Tarry 1&4

P Birt 1&3

S Sandle 3

J Wood (resigned December 2023)

V Seward 5

P Perera

A Burke (resigned September 2023)

1 Member of the Investment Committee

2 Member of the Audit Committee

3 Member of the Remuneration, Pensions and Nominations Committee

4 Member and Chair of the Audit Committee

5 Member and Chair of the Investment Committee

6 Member and Chair of the Remuneration, Pensions and Nominations Committee

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

## 2. STRATEGIC REPORT

During 2023-24, Enginuity continued its mission to proactively support employers in engineering and manufacturing industries to inspire and develop the engineers, technicians, and scientists on which the future of the sector relies. As a charity, Enginuity remains dedicated to exploring new ways to help UK manufacturing and engineering businesses to predict and address skills gaps, ensuring that the sector recruits and retains a highly skilled and globally competitive workforce.

The focus for 2023-24 has been to increase the support that Enginuity provides to small and medium enterprises (SMEs) within the sector. These organisations are crucial to supply chains and need support from Enginuity to help them develop a skilled and talented workforce fit for the future.

### Strategic engagement

Over the last year, Enginuity has been working to support the engineering and manufacturing skills ecosystem in partnership with employers and policy makers from all four UK nations. We have engaged in multiple high-profile consultations and worked alongside sector skills leaders to help inform and shape key decisions on skills training and development. During the year, we have sought to give a voice to smaller employers and have engaged in proactive and positive dialogue with policy makers on identifying quick wins to support them.

Enginuity has provided input to Government on a wide range of skills issues, including the Advanced British Standard proposals, a review of qualifications for young people led by Qualifications Wales and an investigation into National Occupational Standards (NOS) for Skills Development Scotland. March 2024 saw the publication of the Enginuity Skills Action Plan, a Manifesto for Change, highlighting the challenges within the current skills and education ecosystem and how we can help to implement positive change in tandem with industry and policymakers.

Enginuity has been working closely with the Institute of Apprenticeships and Technical Education (IfATE) to identify the barriers experienced by small employers when recruiting apprenticeships and to understand the significant reduction in SMEs recruiting young people on apprenticeship programmes. To further cement this partnership, a Memorandum of Understanding will be signed with the IfATE in the new financial year.

Enginuity has engaged with multiple bodies focused on supporting skills within the sector, including membership of the UK Shipbuilding Skills Taskforce (UKSST) as part of the development of a future-focused skills strategy. Enginuity has been instrumental, in partnership with SMMT, in achieving funding from Innovate UK to deliver a pilot project designed to support employers with upskilling and reskilling within the automotive sector.

In partnership with Coventry University and WMG, Enginuity secured a lead role in the development of the Electrification Skills Network. Enginuity continues to work with the ADS Group in support of the Aerospace Growth Partnership through its skills working group, helping to address current and future growth opportunities.

### **Support for beneficiaries**

The 2023/2024 financial year saw Enginuity being able to directly support a number of beneficiaries. The financial year began by supporting a visit of apprentices to the European Organisation for Nuclear Research (CERN) in Switzerland in April 2023.

In response to the impact of the cost-of-living crisis, Enginuity launched the 'Enginuity Opportunity Fund' providing bursaries of up to £500 to 18 apprentices to help them with travel costs to college, purchase of laptops, books, and other equipment to support their apprentices.

Through a dedicated programme, as part of its growing partnership with Teesside University and the Office for Students, Enginuity was pleased to fund scholarships to 16 disadvantaged students; 10 of whom were women, and 11 of whom were from the Office for Students' POLAR quintile areas 1 and 2. Overall, Enginuity invested £20,000 in this scholarship programme which encompass AI, data science, and data engineering Masters programmes. Enginuity's investment was matched by the Office for Students so that every funded scholarship place was augmented by a further three starts.

Enginuity successfully implemented direct support for SMEs with the launch of its 'Lead to Succeed' leadership and management development programme. Eight SME managers, who had never previously received any formal training, began the 13-month programme in March 2024.

### **Enginuity Skills Awards**

The Skills Awards' finals in June 2023 saw a significant increase in the diversity of participants, with more women entrants than ever before. In total the awards attracted 127 entrants from 106 individual businesses and 76 per cent of winners were women. To increase the charitable impact of this successful event, apprentices from MTC entered a competition to design and manufacture bespoke trophies for the winners. The winning design was 3D printed by Fanuc. A 'table centrepiece' design competition for schools, in partnership with DATA, was launched, with the winning school benefiting from a full day of STEM activities.

In June 2024, Enginuity marked the tenth anniversary of the awards at an event hosted by Steph McGovern. This scheme has already seen an increase of 45 per cent in the number of entries and a further improvement in EDI statistics. The previous Best of British overall winners were honoured and for the individual winners it has been heartening to see how winning the award has had a direct benefit on many of their careers.

### **Celebrating highlights**

We were pleased to record the continued robust performance of EAL over the last year. It has been reassuring to see that employers in the sector are investing in apprenticeships and other qualifications. EAL continues to support T Level students in both building services, and engineering and manufacturing, and we look forward to the first T Level engineering graduates in the summer of 2024.

The Enginuity Group was delighted to be named as the winner of the Best Mental Health Strategy for an SME, as part of the national 'This Can Happen' awards scheme. The Group was also pleased to attain Silver accreditation for the 'Clear Assured' global diversity and inclusion standard.

### 3. STRUCTURE, GOVERNANCE AND MANAGEMENT

- The Charity is governed by a Board representative of the sector. The members of the Board are trustees of the Charity and also directors for the purposes of company law. The Board meets quarterly to review progress against the agreed business plan and agree on future strategy. Responsibility for the management of the business is delegated to the Chief Executive. There are four committees which submit reports to the full Board: Investment Committee
- Audit Committee
- Remuneration, Pensions and Nominations Committee
- Quality Assurance Committee.

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

Enginuity has reviewed the Charity Governance Code and mapped processes against the recommended practices. The Code is used as a tool for continuous improvement towards the highest standards within Enginuity and an action plan is in place. An external review of the Board and Committees was conducted in 2022 and will be undertaken every three years. In addition, Board and Committee self-assessments are carried out on an annual basis. The key internal financial control procedures are summarised as follows:

#### Control environment

There is a clear organisational structure with well-defined lines of responsibility and delegation of appropriate levels of authority.

#### Risk management

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

#### Financial reporting

A comprehensive system of budgets and forecasts is in place, with quarterly monitoring and reporting of actual results against targets to the Board.

#### Control procedures and monitoring systems

Authority levels, procedures and other systems of internal financial control are documented and applied and subject to review by the Audit Committee, which consists of Board members and other members who are suitably qualified. The Audit Committee meets twice each year with the external auditors to discuss the audit plan and the results of their audit work. The auditor can meet the Audit Committee in private session as part of this process.

#### Investment

Investment management is delegated to professional investment management firm CCLA, supported by an independent advisor, Portfolio Manager Consultancy Ltd. The Investment Committee's role, chaired by an Enginuity Board member and supported by members who are suitably qualified, is to review the performance of the investment managers and make recommendations to the Board on investment policy and strategy.

#### Remuneration

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

#### Quality assurance

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

### **Appointment of Board members**

The appointment of Board members, for a maximum of three terms of three years, is made by members on the recommendation of the Remuneration, Pensions and Nomination Committee. New Board members undergo an induction to brief them on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, Enginuity's strategy and recent financial performance and the committees and decision-making process. Board members are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

## **4. PUBLIC BENEFIT DISCLOSURES**

Enginuity provides public benefit by:

- Supporting engineering and manufacturing to drive a positive and growing contribution from the sector, both in terms of jobs and contribution to GDP.
- Supporting employers in identifying future skills requirements and developing or sourcing appropriate education and skills solutions to upskill and reskill the existing workforce, thereby maintaining people in employment for longer, whilst also promoting the sector as an attractive and worthwhile career.
- Ensuring that individuals and employers can access high quality engineering skills training programmes, assessments, and validation, in order to keep their skills and competency relevant, up-to-date, and evidenced.
- Inspiring individuals with latent talent who may not have considered engineering and help individuals already interested in a career in engineering to understand their potential and be given opportunities for development and progression.
- Ensuring that ethics and safety of the public is integrated into all training, both directly and through partners, to create the right environment for and build trust in engineers to tackle some of society's most pressing issues, such as climate change.

In agreeing this statement of public benefit, the Board confirms that it has paid due regard to the Charity Commission guidance. The charity's activities and achievements are set out below.

## **5. OBJECTIVES AND ACTIVITIES**

### **5.1 Aims and objectives**

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

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

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

Also, in furtherance of the above objects:

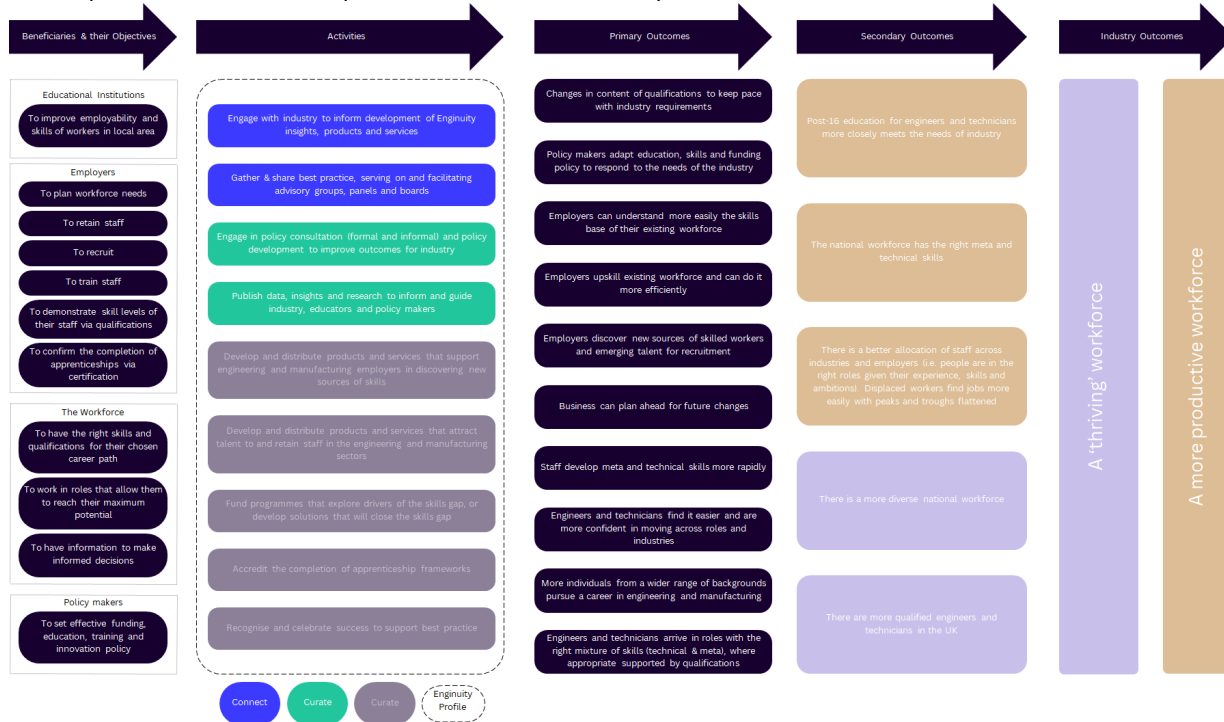
- To develop and set standards for education and training, to validate, test and monitor the standards and to issue certificates.
- To provide facilities for education and training.
- To provide training courses, instruction, and demonstrations of all sorts.

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

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



To better understand the impact of the charity's work, 2024-25 will see the introduction of a comprehensive 'Theory of Change' impact framework that captures all charitable activity and projects. It will enable Enginuity to clearly articulate the outputs, outcomes, and impact of its activities for clearly defined beneficiaries and stakeholders.



## 5.2 Key activities

### 5.2.1 Partnerships and projects

#### Automotive Council UK Skills Working Group

Enginuity's Head of Policy and Partnerships became interim chair of the Automotive Council UK Skills Working Group in October 2023. Working alongside Government and sector employers, Enginuity led the establishment of a significant project to enable adults to upskill within the automotive sector, as the industry continues to experience the major transition to zero-emission technologies.

The Automotive Reskilling and Upskilling Platform, supported by the Department for Business and Trade (DBT), alongside regional sector partners, has brought together stakeholders across the sector to build on the work of the Electrification Skills Network (ESN) and the Department for Education (DFE) Emerging Skills Programme.

The project was designed to develop an intelligent, online platform capable of delivering insights into skills opportunities and making the link between employers' requirements and specific appropriate training provision. The platform was launched at the beginning of March 2024 at the start of a pilot that will not only help employers to identify local training provision that meets their skills training requirements, but also enables training providers and colleges to identify gaps in their provision and map their courses to future skills needs.

#### National Manufacturing Skills Taskforce

As secretariat of the National Manufacturing Skills Taskforce, Enginuity has been instrumental in supporting the multi-sectoral group influence policy and build its profile with Government departments. The Task Force was referenced by DBT within the Advanced Manufacturing plan, who view it as a key partner to deliver change.

This year saw the establishment of a policy sub-group, chaired by Enginuity. A significant output of the work of the sub-group was the development of the theory underpinning a high performing skills system for the manufacturing sector (published in the paper entitled 'What Good Looks Like'). The paper sets out an optimum system for skills delivery based on the macro environment and employers' specific requirements, enabling the sector to assess current practice and make recommendations for future change.

#### Hydrogen Skills Alliance

As a member of the Hydrogen Skills Alliance, Enginuity joins a collective group of stakeholders working collaboratively to identify the skills requirements for the emerging hydrogen economy.

Enginuity has been actively engaged in skills fore sighting work as an educator expert, along with its partners, building on the work of technical experts and employers in the initial hydrogen skills fore sighting cycle. This work has strong synergies drawing from same data sources as our work in Role Explorer and Skills Comparator, including recognition of critical transferable skills.

**Electrification Skills Network (formerly National Electrification Framework & Forum)**

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

As a key partner within the project, Enginuity leads the employer workstream for the automotive and aerospace sectors and has conducted a detailed mapping exercise that is helping to shape a dynamic roadmap and engagement plan that will help employers to identify skills gaps, procure the right training, network with similar organisations, and contribute to the framework content.

Once complete, the framework will deliver a comprehensive reference point for electrification skills, providing the essential connections, guidance, and best practices for industry, while also contributing to a thriving electrification ecosystem.

**UK Shipbuilding Skills Taskforce (UKSST)**

Enginuity was a key member of the UK Shipbuilding Skills Taskforce (UKSST) during 2023-24, chairing a workstream. The work of the UKSST reached its conclusion with the publication of the report, 'A Step Change in UK Shipbuilding Skills' in September 2023.

**Engineering and Manufacturing T Level partnership**

During 2023-24, Enginuity participated in the Engineering and Manufacturing T Levels group, in tandem with the Royal Academy of Engineering, Make UK, the Gatsby Foundation, and the Department for Education. Objectives include supporting the delivery and implementation of T Levels amongst practitioners, employers, and students through the provision of bespoke resources, professional development opportunities, networking opportunities and support for industry placements. New for 2023, Enginuity introduced a 'T Level Student of the Year' category as part of the Enginuity Skills Awards.

**Institute for Apprenticeships and Technical Education (IfATE) partnership**

Enginuity started working with the IfATE in October 2023 to formalise its co-operation and working arrangements to ensure the quality of its joint working in the interests of students, apprentices, and employers in England.

Both organisations have signalled their intent to sign a Memorandum of Understanding that sets out the intention to work collaboratively on a formal basis on workstreams, including mutual involvement in complementary programmes, the development of robust apprenticeship standards, and the dissemination of thought leadership projects supporting policy developments.

Anticipated benefits from this formal collaboration include simplification across the education and skills system for employers, improved data and intelligence sharing to increase industry insight and enhanced quality of qualifications for students, apprentices, and employers.

**Knowledge Transfer Partnership**

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

To inform the development of a solution, in 2023, Enginuity conducted a workforce planning survey amongst engineering and manufacturing employers, which concluded that businesses of all sizes are faced with the challenge of organisational development in the context of a changing environment.

The need for strategic workforce planning tools is in high demand as businesses, particularly small employers, continue to struggle to attract new talent, retain skilled colleagues, and build a workforce with a multifaceted and future-proofed skillset.

**Strategic engagement**

To support its partnership activity and strategic engagements, Enginuity increased its headcount during 2023-24 and during the last quarter of the financial year welcomed a Head of Charity, Sector Engagement Manager and increased the sector engagement team by two additional heads.

**Policy and research**

In March 2024, Enginuity was pleased to launch its Manifesto for Change for the engineering and manufacturing sector. The Manifesto sets out a roadmap to enable the workforce to adapt to demands of innovative technologies and the transition to net zero. Enginuity calls on sector employers, training providers and policymakers to work with Enginuity on the delivery of five key priorities for building and maintaining a skilled future workforce.

Enginuity has published a series of Labour Market Information Snapshot reports throughout the year on its website. These contain insights into in-demand roles within the UK engineering and manufacturing sector over the last four years. In addition, we published thought-leadership white papers on engineering and manufacturing apprenticeships in England and Scotland.

Enginuity is an active member of the Federation of Industry Sector Skills and Standards (FISSS) CEO group, which meets quarterly to discuss policies issues. During March 2024, the CEO of Enginuity and a Board Trustee attended a dinner with the Shadow Skills and Education Minister, Seema Malhotra, and was able to discuss with the Minister the challenges facing SMEs.

**Apprenticeship Achievement Research Project**

In response to industry concerns, Enginuity initiated a study into the rate of apprenticeship achievements in England. Low achievement rates in recent years, exacerbated by the pandemic, continue to fall some way short of the 2025 target of 67%. The Apprenticeship Achievement Research Project, delivered in partnership with The Engineer, focused on SMEs who find engagement with apprenticeships more challenging.

Themes emerging from the report include inconsistencies in training provided, issues attracting appropriately skilled individuals, and difficulties with retaining apprentices. A detailed overview of the outcomes of the project, with recommendations, was published in May 2024.

The team has developed documentation to support employers, educational institutions, and the workforce to understand the UK's education landscape and career pathways across the devolved nations. Career pathway infographics inform workforce training plans, providing a better understanding of the range of educational and career pathways available within the sector.

**Consultations**  
Over the last twelve months, Enginuity has engaged in a range of consultations led by parliament, governments, and arms-length bodies across the UK. It has contributed to an examination of qualifications for young people aged 14-16 led by Qualifications Wales, as well as an investigation into essential skills for adults.

In addition, Enginuity responded to plans from the Department for Education to introduce a new qualification framework for England, the Advanced British Standard, a new baccalaureate-style qualification framework for 16-19-year-olds.

**Thought leadership**

During the last year, Enginuity has continued to raise its profile as part of the wider conversation on skills with the engineering and manufacturing sectors, developing its voice and contributing to the conversation by taking an authoritative position on high profile industry topics and highlighting skills developments as they appear on the horizon.

As part of its work to develop its thought leadership capability, Enginuity published the white paper 'Human Capabilities for Sustainability,' jointly authored with The Green Edge, in January 2024. The paper explores the cognitive, emotional, and social qualities that drive individuals to act sustainably within engineering and manufacturing.

In addition, Enginuity published its findings following an exploration of trends and future STEM skills demands in Scotland ('STEM Skills in Scotland'). With the research recording a diminishing interest in engineering and physical sciences, and a reduction in the availability of STEM-related education programmes, Enginuity is committed to further investigating industry demand and providing information and resources to help the sector with strategic planning decisions.

**6. ACHIEVEMENTS AND PERFORMANCE****6.1 Enginuity performance****Products and services**

During the last year, EAL launched 4 new qualifications, 5 new EPA standards, including the first to be approved for the new machining technician standard, have been added to an expanding offer bringing the total to 31. 13 qualifications have been submitted to IfATE in response to the Level 2 and Level 3 reforms and 17 new EAL-approved courses have been validated. The product team has continued to review and maintain its existing portfolio of products alongside a brand refresh, with 71 qualifications reviewed and updated to ensure they remain valid and up to date for our customers and learners.

EAL continues to work alongside City & Guilds to deliver its partnership accountabilities for T Levels in engineering and manufacturing and building services engineering and continues its commitment to supporting T levels second generation.

**Digital and data solutions**

The last year has seen considerable progress on the development of Enginuity's portfolio of digital and data products and services. Its range of digital skills solutions are rooted in engineering sector data and benefit from Enginuity's in-depth understanding of the skills challenges affecting the sector. Digital tools are designed to deliver multiple interventions within the UK engineering and manufacturing skills pipeline. In October 2023, Enginuity launched its suite of digital products online as part of the organisation's new website. The product package comprised:

**Enspire City**

An interactive web-based platform designed to demonstrate the pervasive influence of engineering to young people aged 8-14, Enspire City is designed to expose them to the range of engineering sectors and real-world problems that engineering can solve. The product also serves to showcase the opportunities available to young people in STEM and manufacturing careers.

The product was developed with the aim of improving the perception of engineering and promoting understanding of engineering careers, leading to greater enrolment in STEM subjects and stimulating more interest in engineering and manufacturing careers. Zones within Enspire City include:

- Aerospace
- Vertical farming
- Automotive
- Space

At an Enginuity-run event in 2023, 92 per cent of students said they had an increased awareness of engineering as a career option after playing Enspire City.

### Skills Miner

Skills Miner interactive games, built on the popular gaming platform Minecraft, continue to form the basis of a core digital product that reflects specific industry challenges, introducing school pupils to ideas for STEM careers. The games, based on aerospace, vertical farming, energy, and space, are designed to incorporate elements of the national curriculum and have been endorsed by the Skills Builder Partnership as contributing to the achievement of 8 essential life skills mapped to Gatsby Benchmarks. Overall, more than 325 downloads of Skills Miner by teachers were recorded during 2023-24, and over 300 players have engaged with the games at events attended by Enginuity.

During 2023-24, the Skills Miner game series and supporting teaching resources were translated into Welsh as part of a new six-week programme of study created specifically to address Welsh national curriculum statements. All Skills Miner games have been added to the Welsh 'Hwb' site for teachers and bespoke training was delivered in 44 schools in Wales, helping them to embed Skills Miner games within teaching and learning programmes. In 2024-25, the focus will be on driving take-up of Skills Miner games in devolved areas where technical barriers to adoption are lower.

The Skills Miner and Enspire City products have been designed for use by employers to support school outreach activities. It is also accessible for use by educators and facilitators of STEM outreach to enable discussions about engineering careers and pathways. The product has received positive feedback from members of the automotive and aeronautics strategy groups and from local authorities in England, Scotland, and Wales.

### Skills Framework

As part of Enginuity's overall mission, it is committed to providing insights on in-demand skills to assist businesses, sectors, and Government with future planning. To help achieve this, data has been collected from a range of sources to create a dynamic Skills Framework.

The Enginuity Skills Framework was established to provide key information on a broad scope of occupations, job roles, work activities and skills found within the engineering and manufacturing sectors. The Enginuity Skills Framework underpins the Role Explorer, Cell and Gene Career Converter and Skills Comparator products outlined below.

### Role Explorer

Designed for both employers and individuals investigating engineering and manufacturing roles in detail, Enginuity's Role Explorer product provides a comprehensive data-driven collection of careers, job roles, work activities, and transferable skills. Unlike traditional career resources, this product is powered by the extensive Enginuity Skills Framework and uses demand from employers and data from live job postings to give users a clear and interactive way to navigate the ever-changing skills landscape. It identifies commonalities between different careers, providing new opportunities for career growth and transition.

Role explorer can be used to support:

- Students and young adults with career exploration.
- Researchers and analysts studying labour market trends, skill demands, and emerging sectors within engineering and manufacturing.
- Educators and careers advisors in guiding students towards suitable engineering and manufacturing careers.
- Professionals exploring how their transferable skills could assist a career change.
- Jobcentre Plus in helping unemployed individuals to identify suitable engineering and manufacturing roles.
- Employers in their understanding of the skills landscape to assist workforce development.

### Skills Comparator

Enginuity's Skills Comparator web application was launched in October 2023 to help employers and individuals identify and understand transferable skills to enable informed decision-making on recruitment, upskilling and reskilling.

Skills Comparator helps employers with:

- **Recruitment:** by widening the talent pool for hard-to-fill positions, focusing more on relevant transferable skills rather than direct experience.
- **Outplacement:** by suggesting alternative roles for employees which closely align with their current skillset.
- **Demand analysis:** by identifying roles that are in high demand and enabling employers to assess their workforce's capabilities.
- **Workforce planning:** by pinpointing future high-demand roles and identifying how these are matched by current employees' skills.

**Career Converter - Cell and Gene Therapy Catapult**

The Cell and Gene Therapy Catapult (CGT) is an independent innovation and technology organisation committed to the advancement of cell and gene therapies, with a vision of a thriving industry delivering life-changing advanced therapies to the world. Enginuity has been working with Catapult since 2022 to help promote employment opportunities in the industry, inspiring the inception of its Career Converter solution. Career Converter is embedded within the CGT Catapult's Advanced Therapy Skills Training Network. In the last year, engagement with the platform has been maintained, attracting 819 users and 771 new users.

**Certification**

Enginuity is a member of the Federation of Industry Sector Skills and Standards (FISSS) and is approved to process apprenticeship registrations and certifications in the Apprenticeship Certification England (ACE), Apprenticeship Certification Wales (ACW) and Modern Apprenticeship Certification Scotland (MA Online) systems on behalf of the engineering and manufacturing sector.

Certificates authorised 2023-24:

England (ACE)	1,375
Wales (ACW)	1,377
Scotland (MA Online)	880
<b>Total:</b>	<b>3,632</b>

Enginuity plays a key role in validating evidence for apprenticeship frameworks against the requirements of a full range of apprenticeships in engineering and manufacturing across the four nations. Only when Enginuity is satisfied that the requirements have been met, will a certificate be issued. During 2023-24, Enginuity was responsible for producing around 3,600 certificates, attracting a net income of approximately £157,000.

**Frameworks**

**National Occupational Standards (NOS)**

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

**Skills Development Scotland (SDS)**

*National Occupational Standards (NOS): SOC mapping*

Enginuity was contracted by Skills Development Scotland to map all Enginuity NOS (approx. 2,500) held on the NOS database to 2020 SOC codes and provide some additional sector impact narrative to inform of future changes to the skills landscape.

*National Occupational Standards pilot: alignment to Scottish Apprenticeship Standards*

During 2023-24, Enginuity participated in a pilot to examine the alignment of NOS to Scottish Apprenticeship Standards (Work Situations). Enginuity took part in a pilot to repackage Work Situation descriptors from the Scottish Apprenticeship into broad, high level NOS. A detailed mapping exercise to existing NOS and IfATE occupational maps was conducted to assess how NOS would translate across a range of footprints and within all the UK nations.

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

**Enginuity Future Skills Hub**

Cognisant of the rapid transformation of engineering and manufacturing, Enginuity launched its Future Skills Hub microsite in March 2024 which aims to demystify the skills, trends and transitions reshaping industry and help employers

to understand the skills they need to keep pace with change. Enginuity worked with partners, including The Green Edge and Made Smarter, to ensure that the hub provides a wealth of invaluable information.

The Enginuity Future Skills Hub holds a wide range of accessible, bitesize resources on the skills required to work with emerging technologies, highlighting popular topics through interviews, case studies and podcasts. During its launch phase, the Hub was focused on digitalisation, with further activity planned to cover topics including electrification and hydrogen.

### **STEM Returners**

Enginuity joined forces with return-to-work specialists STEM Returners, the Society of Motor Manufacturers and Traders (SMMT) and the ADS Group to launch the Aerospace and Automotive STEM Returners project. The objective of the project is to support and empower individuals to re-join the workforce, improving sector diversity by increasing the proportion of women employed by the sector, and helping to address the skills gap. Following insight sessions for SMEs in February 2024, host organisations are due to operate 12-week industry placements for returners; 10 of which are part-funded by Enginuity.

## **6.2 EAL performance**

### **EAL products and services**

During 2023-24, EAL has continued to perform strongly against its key performance measures and financial targets, across both awarding organisation and end point assessment services. We have made good progress in delivering our planned transformation programme, putting the customer at the heart of what we do, delivering initiatives through the lens of people, technology and processes, as we elevate and expand our offer to meet the changing needs of customers and the sectors we serve. We remain on track for delivering our long-term vision and plan for the business.

### **EAL customer experience**

EAL works with 697 centres offering 250 qualifications, including more regulated engineering qualifications than any other awarding organisation. During 2023-24, EAL registered 79,360 students and issued certificates to around 64,000 in recognition of their achievements.

In our continued drive for service excellence, our annual customer satisfaction survey, conducted independently by TLF Research, continues to provide invaluable insight into our journey to deliver the highest levels of service to our customers. From a record number of respondents, we have again increased our Customer Satisfaction Index score to 85.6% from 83.3% in the prior year. The results of the survey and rich feedback form the basis of our customer priority initiatives for the coming year, as part of our continuous improvement cycle.

The Assessment Delivery Team has retained a positive level of growth for its End Point Assessment volumes throughout the year, seeing 17% growth compared to prior year, with an average 96 per cent first-time pass rate.

### **EAL achievements**

Significant successes during the last year include:

- The implementation of the new End Point Assessment system, ACE360, using technology to improve the customer journey and drive efficiencies.
- A successful Centre Assessment Scrutiny Strategy (CASS) review that led to improvements in its systems and processes to keep pace with regulatory changes.
- The introduction of our Quality Assurance Framework as part of EAL's drive for continuous improvement and maintaining the highest standards.
- The further development of its product and service portfolio across all UK nations, introducing 4 new qualifications, 24 qualification amendments and carrying out 23 qualification reviews.
- A boost for brand awareness with a high-profile presence at conferences and events, including the Annual Apprenticeship Conference, Association of Colleges' Annual Conference, Federation of Awarding Bodies, and the Colegau Cymru Annual Conference, Sustainability Conference Maastricht. In addition, EAL acted as a sponsor of the Apprenticeship Awards Cymru, the In-Comm Awards 2023 and the Engineering Trust Awards.

EAL continues to work with key partners to support qualification and assessment products and services within engineering and manufacturing. This includes delivering the national Building Services Engineering qualifications in Wales and supporting the delivery of T Levels in England.

## Quality assurance, compliance, and governance

EAL continues to review its governance, quality and compliance policies and processes to ensure that they are fit-for-purpose within the current regulatory landscape. A focus over the past year has been considering the opportunities and risks associated with the growth of artificial intelligence, which has been facilitated by Enginuity Group's AI Taskforce Group and engagement with key stakeholders through advisory panels, meetings, and events. We also continue to develop our capacity to offer different assessment methods through investment in our technology infrastructure and people.

### 6.3 Brand and engagement

#### Enginuity

Enginuity continues to focus its activities on cultivating its brand voice, including by building significant engagement through social media platforms, with a 27 per cent increase in LinkedIn followers over the period April 2023 – March 2024. Its commitment to online, print and broadcast channels achieved an overall reach of 40 million. Between September 2023 and March 2024, paid social media achieved a total of 6.6 million views, generating more than 28,000 visits to the new website.

Paid social media, targeted to support key skills solutions including Skills Comparator, Role Explorer, and Enspire City, delivered positive results and contributed to website traffic. PR coverage for the Enginuity Skills Awards included a partnership with The Manufacturer, resulting in media and online coverage with a total reach of over 4.1 million. Additional activities achieving significant reach included support for the Skills Action Plan, the UK Shipbuilding Skills Taskforce, T Levels, apprenticeship awareness days in England, Scotland and Wales, STEM Returners and Career Pathways.

#### EAL

EAL continues to focus on positioning itself as the specialist awarding organisation of first choice for the engineering and manufacturing sector and continues to work with industry, educators, partners, and policy makers, using data insight, intelligence and horizon scanning through its networks to help inform its understanding of the direction of change within the sector, enabling the development of the optimum products and services to drive a sustainable future.

Continuing to strengthen its brand voice, EAL has invested in growing the audience for its own digital channels, with a 12 per cent increase in followers on LinkedIn and X. Investing in broader brand awareness, campaign activity beyond our existing audiences recorded a total reached of nearly 29.5m in 2023-24.

EAL was pleased to launch its new website during 2023-24 and continues to invest in this platform as a route to conversion, improving its self-serve capability to boost the customer journey.

EAL has introduced new roles focused on industry and employer engagement to drive up the EAL brand at the forefront of minds as the leading Awarding Organisation and End Point Assessment partner in our flagship sectors. Our new team of technical advisors complements the work of the External Quality Assurance team and regional development manager teams, supporting our customers with product-related queries, curriculum design or raising awareness of the breadth and depth of portfolios we offer.

#### Future plans

EAL continues to make good progress against the objectives within its ten-year vision, which encompasses ambitious customer, product development, and green and sustainable growth strategies designed to elevate and expand the EAL business and support Enginuity in the achievement of its charitable objects.



## 6.4 Our people achievements

### Employee engagement

Enginuity hosted an all-colleague conference in March 2024 at Sheffield City Hall to reconnect all employees to its vision, mission and purpose, and to share the 2024-25 business plan. A post-event poll indicated that 93 per cent of colleagues claimed to understand Enginuity's vision (against a pre-conference base measure of 54 per cent).

The annual employee survey and mid-year pulse survey continued to show strong engagement levels across the business with an Engagement Index at 7.5 and Employee Net Promoter Score (eNPS) increasing from -5 to +27 over the past 18 months.

### Learning and development

Last year saw the successful launch of the Enginuity 'Lead to Succeed' leadership and management development programme for all people managers within the business, focusing on leadership in the 21<sup>st</sup> century, developing emotional intelligence and inclusive leadership to enhance the leadership skills in the business as it continues to grow. To date, over 1,900 learning hours have been recorded against the programme.

To support a continued focus on management and leadership development, Enginuity launched its 'Management Essentials' suite of bitesize training, which is mandatory for all people managers and includes modules such as inclusive recruitment, managing performance and managing mental health.

Our strategic workforce planning across the business has enabled us to continue to identify current and future learning requirements, to ensure that Enginuity has the skills now and for the future that will help it to achieve its ambitious business plan goals.

### Pay and reward

The Enginuity Group pay and reward strategy, approved by the Remuneration, Pension and Nominations Committee, was implemented during 2023-24. The group has continued to review its reward offer and introduced a healthcare cash plan during 2023-24. Colleagues may claim back the cost of everyday healthcare, such as dental treatment, prescriptions and some complementary therapies, and benefit from access to a 24-hour virtual GP service and a range of app-based health resources. 97 per cent of colleagues have joined the plan.

### Digital employee experience

Enginuity continues to focus on digital systems to ensure that colleagues are able to access better data and reporting to inform decision making, using self-service functionality. In 2023-24, the business scoped and configured a new HR system that became live in the summer of 2024.

Enginuity introduced a new careers hub and applicant tracking system (ATS) to improve the candidate experience and streamline the recruitment process, reducing manual processes and duplication of tasks. The ATS has already resulted in efficiencies within the People Team and generated better quality applications. The system enables anonymous shortlisting of interview candidates, supporting diversity and inclusion aims. **Employee experience**

Corporate induction processes have been refreshed to ensure that all new starters within Enginuity's growing team enjoy a positive first experience and learn about the Company, the Department and Team as soon as they join. 90 per cent of employees joining in 2023-24 reported a positive onboarding experience and this is an area of continued focus, with the introduction of a buddy scheme planned for 2024-25 and the optimisation of the new HR system.

### Diversity and inclusion

Enginuity understands the benefits of a diverse and inclusive workforce and continues to strive to develop a culture where these values are embedded in the day-to-day experience of all colleagues. In 2023, Enginuity moved from bronze to silver accreditation in the Clear Assured global standard for its diversity and inclusion strategy and approach.

Enginuity continues to work with external partners on our diversity aims and objectives. It is a menopause- friendly organisation with programmes of awareness, opportunities for training, guidance, and support for individuals across the Enginuity group. Enginuity is proud to be a Disability Confident Employer. It continues its partnership with the Association for Black and Minority Ethnic Engineers (AFBE).

### Wellbeing

The focus on health and wellbeing is continuing and last year the Enginuity annual walking challenge saw teams complete over three million steps, covering 1,755 miles. Mandatory training is in place for all managers on mental health and wellbeing and our Employee Voice Forum retains wellbeing as a standing agenda item. In June 2023, Enginuity became the proud winner of the 'This Can Happen' award for the Best Mental Health Strategy for an SME.

### Looking ahead

There will be a greater focus in 2024-25 on learning and development, helping colleagues to understand career potential pathways and providing a framework for developing the necessary skills to move into future roles. A values-based recognition scheme will recognise colleagues who live the organisation's values and behaviours.

Enginuity's performance management approach will be reviewed to underpin a high-performance culture. The business will see a continued focus on wellbeing, diversity and inclusion. Enginuity plans to work with an external partner on delivering financial education for colleagues.

## 7. FINANCIAL REVIEW

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

We are financed by the sector through EAL, our awarding organisation and, to a lesser extent, direct funding of our charitable products and services. Overall, we are in a strong and privileged position. EAL is an established business which makes a secure source of income, and Enginuity also has strong reserves of £38m, built up through careful fiscal management.

The Consolidated Statement of Financial Activities for the year ended 31 March 2024 shows a net increase in funds of £3,452k (2022/23 increase of £1,064k).

The key drivers of the financial result were:

- better than anticipated financial performance by EAL, with growth in EPA services,
- income from bank interest and investments, and
- reduced expenditure in the year due to staff vacancies and a refund on VAT.

Investments saw an unrealised gain of £3,092k for the year ended 31 March 2024 (2022-23 loss of £1,264k), taking the investment portfolio to a value of £32.5m.

The two trading subsidiaries produced a net surplus of £3,348k (2022-23 net surplus of £4,199k).

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

## 8. INVESTMENTS

The Board's policy, reviewed annually, requires its investments to be managed actively in line with an agreed approach, which ensures that appropriate levels of targeted risk is adopted, and return is achieved. The long-term investment return expectations from the portfolio are set as a total return of inflation plus 3.5 per cent per annum, after expenses.

Our investments were valued at £32.5m at the end of the year and these are solely managed by CCLA. The CCLA Good Investment approach is guided by three imperatives; 'Align with client values', 'Assess company fundamentals' and 'Act for change' by going beyond ethical restrictions to better work engagement themes, such as tackling modern slavery, mental health, and climate action. CCLA's ability to do good in the world extends far beyond the assets they manage by influencing the behaviour and policies of major companies and their employees.

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

The Investment Fund generated an investment income of £349k (2022-23 £862k) from 2023. Investment income generated since is reinvested in the portfolio through an accumulated fund, rather than being paid to a nominated bank account. The overall value of the investment fund increased by £3,092k (2022-23 loss of £1,264k).

## 9. KEY RISKS AND UNCERTAINTIES DISCLOSURES

The skills infrastructure is extremely fluid, leaving Enginuity and EAL potentially vulnerable to unfolding changes. Market volatility impacts delivery of business plans and financial targets, and the economic climate continues to exert financial pressure on clients. The organisation is required to keep pace with changes in education policy and qualification reforms and retain its active contribution to the deployment of T Levels.

Volatile inflation leads to a potential higher cost base, affecting our ability to maintain our pricing strategy. Interest rate fluctuation impacts the value and returns from investments. Any lack of appetite from the sector for commercial opportunities may impact income diversification. Enginuity has a long-term investment strategy in place, with quarterly monitoring by the Investment Committee.

Enginuity must meet the challenge of demonstrating how its work aligns to public benefit, and this will be addressed through the implementation of the 'Theory of Change' framework.

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

Mitigating actions are in place against all key strategic risks to ensure that the group remains financially stable and sufficiently agile to respond to changing external conditions.

## 10. PLANS FOR FUTURE PERIODS

The Enginuity business plan for 2024-25 focuses on building a foundation for a consistent, continually improving, impact driven organisation that is optimised to meet the requirements of its beneficiaries. The plan culminates in a broad 5-year vision.

For 2024-25, the business plan will focus on 30 impact projects. To deliver this ambitious programme, Enginuity has invested in expertise in stakeholder engagement, policy development, technical solutions, and research and data analysis, as well as restructuring its solutions design process around 5 problem statements set out as part of the Organisation's core objectives.

Project highlights for the year ahead will include the development of a movement-based community of key stakeholders who will be invited to make a commitment to closing the skills gap by sharing data and insights, and by working on practical solutions to solve real world problems.

Enginuity will continue to fund support for SMEs via several initiatives, including the 'Lead to Succeed' management development programme and STEM Returners, aimed at helping those who have left the industry to make a productive return. Through its partnership with Teesside University, funding will once more be provided for a number of scholarship placements.

Working in partnership with the Witherslack group of schools for young people with special educational needs and disabilities (SEND), Enginuity will deliver a workstream aimed at identifying and removing barriers for neurodiverse talent to join the workforce. This will complement its work with WISE to increase the participation of women in STEM-based apprenticeships.

During 2024-25, Enginuity expects to launch a closer working relationship with UCAS in support of SME partners, to help them attract new talent. Further significant improvements can be expected to the Enginuity website to deliver content on future technologies and the skills required to capitalise on them. A best practice hub for SMEs will be developed to enable access to resources, data and insight.

Enginuity will continue to widen uptake of its existing suite of digital products, especially Skills Miner and Enspire City, by partnering with organisations and bodies that can provide direct access into schools to inspire the next generation of engineers and technicians.

## 11. RESERVES

The Board reviews its Reserves Policy on an annual basis. Taking a largely expenditure cover based approach, our Reserves Policy is to hold enough funds to cover our pension liability, deferred income, operating expenditure, and

closure costs. Enginuity has set a minimum level of reserves of £18m for 2023-24 and a maximum target level of reserves of £27m to allow for flexibility, whilst ensuring continuous operations and the delivery of business plans.

Any surplus over the reserves maximum target level is to be used to invest in charitable activities delivering impact to the sector. Free reserves at the end of 2023-24 are £38m, £11m over the required policy. The Board has approved the expenditure of £10m over the next five years as part of the long-term financial strategy.

<b>Reserve 2023-24 minimum</b>	<b>£'000</b>
Pension S75 debt provision	3,200
Deferred Income	4,754
Cover for 6 months expenditure*	9,126
Close down costs**	822
<b>Total Reserves Policy</b>	<b>17,902</b>

<b>Reserve 2023-24 maximum</b>	<b>£'000</b>
Pension S75 debt provision	3,200
Deferred Income	4,754
Cover for 12 months expenditure*	18,252
Close down costs**	822
<b>Total Reserves Policy</b>	<b>27,028</b>

\*Based on the annual budget \*\* Calculated annually

## 12. GOING CONCERN

The Trustees consider that there are no material uncertainties about Enginuity's ability to continue as a going concern. With regard to future years, the most significant area of uncertainty is around government funding of qualifications. This is covered in more detail in the 'Key Risks and Uncertainties' section of the Trustees' annual report. The level of reserves, including an excess of £11m over the reserves policy, will enable the group to carry out its current charitable activities at the planned and budgeted level for a considerable period, whilst also allowing it the time to develop alternative sources of funding, should government funding of qualifications significantly change, having a material impact on the surplus generated by EAL.

## 13. KEY MANAGEMENT PERSONNEL REMUNERATION POLICY

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

#### 14. PENSIONS LIABILITIES

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid, the company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in other creditors as a liability in the Statement of Financial Position. The assets of the plan are held separately from the company in independently administered funds.

Enginuity is a participating employer to a defined benefit scheme administered by ITB Pension Funds. A defined benefit scheme is a pension plan under which the company pays fixed pension to its employees. As a member of the multi-employer scheme where the assets and liabilities are not identifiable, Enginuity has accounted for the scheme as a defined contribution scheme, to comply with the provisions of FRS 102. Pension contributions are charged to the consolidated Statement of Financial Activities so as to spread the regular cost of the pensions and related benefits over the employees' working lives. During 2023, the Trustees of ITB Pension Funds completed a buy-in of the Scheme.

The total cost to the company under both schemes for the year was £316,232 (2022-23: £259,715).

#### 15. SUSTAINABILITY STATEMENT

Enginuity places sustainability at the heart of its charitable objectives, to deliver increased public benefit. All of its activities are mapped against UN Sustainable Development goals, which aim to eradicate inequality and poverty, and tackle climate change.

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

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

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

Enginuity is working to identify specific 'green' tasks within occupations to help develop its data-driven solutions in support of the sector.

Enginuity supports sustainability goals by:

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

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

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

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

## 16. STATEMENT OF TRUSTEES (BOARD MEMBERS) RESPONSIBILITIES

The Trustees (who are also Directors of Enginuity for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements, in accordance with applicable law and regulations.

Company law/Charity law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law/charity law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and charity and of the incoming resources and application of resources, including the income and expenditure, of the group and charity for that period.

In preparing these financial statements, the Trustees are required to:

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

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006/Charities Act 2011. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

## 17. STATEMENT OF DISCLOSURE TO OUR AUDITORS

In so far as the Trustees are aware at the time of approving our Trustees' Annual Report:

- There is no relevant information, being information needed by the auditor in connection with preparing their report, of which the Group's auditor is unaware, and
- The Trustees, having made enquiries of fellow Directors and the Group's auditor that they ought to have individually taken, have each taken steps that he/she is obliged to take as a director to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

## 18. AUDITORS

In accordance with the Companies Act 2006, a resolution will be proposed at the General Meeting that Crowe U.K. LLP will be reappointed as auditor to the charitable company for the ensuing year. This report, which incorporates the Strategic Report, was approved by the Board on 17th September 2024 and signed on its behalf by:



**Sir J McDonald**

Chair

Enginuity

Lytchett House, 13 Freeland Park

Wareham Road

Poole

Dorset, BH16 6FA

**Independent Auditor's Report to the Members of Enginuity****Opinion**

We have audited the financial statements of Enginuity ('the charitable company') and its subsidiaries ('the group') for the year ended 31 March 2024 which comprise Consolidated Statement of Financial Activities, Consolidated Balance sheet, Consolidated Cash Flow Statement and Notes to the Financial Statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of group's and the charitable company's affairs as at 31 March 2024 and of the group's income and expenditure, for the 31<sup>st</sup> March 2024 then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

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

**Conclusions relating to going concern**

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

**Other information**

The trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### Opinions on other matters prescribed by the Companies Act 2006

In our opinion based on the work undertaken in the course of our audit:

- the information given in the trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

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

In light of the knowledge and understanding of the group and charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' report.

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

- the parent company has not kept adequate accounting records; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 20, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### Auditor's responsibilities for the audit of the financial statements

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

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations, are set out below.

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.



We obtained an understanding of the legal and regulatory frameworks within which the charitable company group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, together with the Charities SORP (FRS102) 2019. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company’s and the group’s ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company and the group for fraud. The laws and regulations we considered in this context for the UK operations were the Companies Act 2006, Ofqual (England), and relevant taxation legislation.

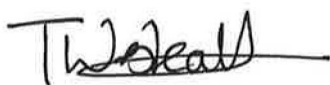
Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of grant and contract income, as well as the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, internal audit and the Audit Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, designing and performing audit procedures over the timing of grant and contract income and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

**Use of our report**

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



Tara Westcott  
 Senior Statutory Auditor  
 For and on behalf of  
**Crowe U.K. LLP**  
 Statutory Auditor  
 4th Floor, St James House  
 St James Square  
 Cheltenham GL50 3PR

Date: 20 September 2024

Consolidated Statement of Financial Activities

Company Number: 02324869

Charity Number: 1000328

	Notes	Restricted £000	Unrestricted £000	2024 Total £000	2023 Total £'000
<b>Income</b>					
<i>Other trading activities</i>					
Income from trading subsidiaries	3b	-	13,564	13,564	12,104
<i>Investment income</i>					
	8	-	349	349	862
<i>Charitable activities</i>					
Externally funded projects	3a	122	303	425	30
Other	3a	-	156	156	328
<b>Total income</b>		<u>122</u>	<u>14,372</u>	<u>14,494</u>	<u>13,324</u>
<b>Expenditure on</b>					
<b><i>Raising funds</i></b>					
Expenditure of trading subsidiaries	3b	-	10,385	10,385	7,905
Investment managers' fees		-	61	61	60
<b>Total cost of raising funds</b>		<u>-</u>	<u>10,446</u>	<u>10,446</u>	<u>7,965</u>
<b><i>Charitable activities:</i></b>					
Promoting & representing the sector		-	321	321	118
Digital skills solutions		-	1,925	1,925	1,493
Certification		-	580	580	478
Frameworks		-	0	0	175
Partnerships, policies & strategic engagement		133	729	862	556
Skills Miner		-	0	0	211
<b>Total charitable activities</b>	7	<u>133</u>	<u>3,555</u>	<u>3,688</u>	<u>3,031</u>
<b>Total expenditure</b>		<u>133</u>	<u>14,001</u>	<u>14,134</u>	<u>10,996</u>
<b>Net (expenditure) / Income before gains on Investments</b>		<u>(11)</u>	<u>371</u>	<u>360</u>	<u>2,328</u>
Net gains/(losses) on investments	11	-	3,092	3,092	(1,264)
<b>Transfers between funds</b>		<u>11</u>	<u>(11)</u>	<u>0</u>	<u>-</u>
<b>Net movements in funds</b>		<u>-</u>	<u>3,452</u>	<u>3,452</u>	<u>1,064</u>
Total funds brought forward	20	-	34,626	34,626	33,562
<b>Total funds carried forward</b>	20	<u>-</u>	<u>38,078</u>	<u>38,078</u>	<u>34,626</u>

All activities are continuing.

All income and expenditure in the year ended 31 March 2023 was unrestricted.

The notes on pages 29 to 41 form part of the accounts.

	Notes	2024 £'000	2023 £'000
<b>FIXED ASSETS</b>			
Tangible assets	10	-	-
Investments	11	34,171	31,406
		<u>34,171</u>	<u>31,406</u>
<b>CURRENT ASSETS</b>			
Debtors	13	2,536	1,986
Bank and cash balances		7,539	7,114
		<u>10,075</u>	<u>9,100</u>
<b>CURRENT LIABILITIES</b>			
Creditors: Amounts falling due within one year	14	<u>(5,031)</u>	<u>(4,829)</u>
<b>NET CURRENT ASSETS</b>		<u>5,044</u>	<u>4,271</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>39,215</u>	<u>35,677</u>
<b>CREDITORS: amounts falling due after one year</b>	15	<u>(1,137)</u>	<u>(1,051)</u>
<b>NET ASSETS</b>	20	<u><u>38,078</u></u>	<u><u>34,626</u></u>
<b>FUNDS AND RESERVES</b>			
Unrestricted reserves	19	<u><u>38,078</u></u>	<u><u>34,626</u></u>

The financial statements were approved and authorised for issue by the Board on the 17<sup>th</sup> September 2024 and were signed below on its behalf by:



Sir J McDonald  
Chair

The notes on pages 29 to 41 form part of the accounts.

	Notes	2024 £'000	2023 £'000
<b>FIXED ASSETS</b>			
Tangible assets	10	-	-
Investments	11	34,171	31,406
Investment in subsidiaries	12	50	50
		<u>34,221</u>	<u>31,456</u>
<b>CURRENT ASSETS</b>			
Debtors	13	4,193	2,173
Bank and cash balances		343	1,667
		<u>4,536</u>	<u>3,840</u>
<b>CURRENT LIABILITIES</b>			
<b>CREDITORS: amounts falling due within one year</b>	14	(936)	(730)
<b>NET CURRENT ASSETS</b>			
		<u>3,600</u>	<u>3,110</u>
<b>TOTAL ASSETS</b>			
		37,821	34,566
<b>CREDITORS: amounts falling due after one year</b>			
	15	0	0
<b>NET ASSETS</b>			
	20	<u>37,821</u>	<u>34,566</u>
<b>FUNDS AND RESERVES</b>			
<b>Unrestricted funds</b>			
	19	<u>37,821</u>	<u>34,566</u>

In accordance with section 408 of the Companies Act 2006, a separate Statement of Financial Activities for the charity has not been presented. The result for the charity was a surplus £3,255k (2023: surplus £1,113k).

The financial statements were approved and authorised for issue by the Board on the 17th September 2024 and were signed below on its behalf by:



**Sir J McDonald**  
Chair

The notes on pages 29 to 41 form part of the accounts.

Consolidated Cash Flow Statement

Company Number: 02324869

Charity Number: 1000328

		2024	2023
	Notes	£'000	£'000
<b>Cash (used by) / provided by operating activities</b>	a)	(251)	1,376
<b>Cash flows from investing activities</b>			
Investment income received		349	862
Payments to acquire investments		(5,476)	(18)
Cash withdrawn from investments		500	0
Receipts from the sale of investments		5,303	18
<b>Cash Provided by investing activities</b>		<u>676</u>	<u>862</u>
Repayments of finance leases in the year		0	(30)
Interest paid on finance leases		0	5
<b>Cash not provided by financing activities</b>		<u>0</u>	<u>(25)</u>
<b>Net increase in cash</b>		425	2,213
<b>Cash and cash equivalents at start of year</b>		<u>7,114</u>	<u>4,901</u>
Cash and cash equivalents at end of year		<u><u>7,539</u></u>	<u><u>7,114</u></u>
<b>Analysis of cash and cash equivalents</b>			
Cash at bank and in hand		<u><u>7,539</u></u>	<u><u>7,114</u></u>

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

The notes on pages 29 to 41 form part of the accounts.

Consolidated Cash Flow Statement

Company Number: 02324869

Charity Number: 1000328

	2024	2023
	£'000	£'000
<b>a) Reconciliation of net incoming resources to net cash inflow from operating activities</b>		
Net movement in funds	3,452	1,064
Investment income	(349)	(862)
Depreciation	0	26
Decrease/(Increase) in creditors	288	(25)
(Decrease) in debtors	(550)	(123)
Decrease in stocks	0	32
Net (gain)/loss on investments	(3,092)	1,264
<b>Net cash (used by) / provided by operating activities</b>	<u>(251)</u>	<u>1,376</u>

	At beginning of the year £'000	Cash flows £'000	Non cash movements £'000	At end of the year £'000
<b>b) Analysis of changes in net debt</b>				
Cash and cash equivalents	7,114	425	0	7,539
	<u>7,114</u>	<u>425</u>	<u>0</u>	<u>7,539</u>
Finance lease obligations due in 1 year	0	0	0	0
Finance lease obligations due in more than 1 year	0	0	0	0
	<u>7,114</u>	<u>425</u>	<u>0</u>	<u>7,539</u>

The notes on pages 29 to 41 form part of these accounts.

## 1. GENERAL INFORMATION

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

## 2. ACCOUNTING POLICIES

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

### Basis of preparation

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

Enginuity meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes. All the expenditure incurred by the Enginuity group is for charitable purposes.

The presentation currency and functional currency of the charity is pounds sterling and is rounded to the nearest thousand pounds.

### Parent charitable company disclosure exemptions

In preparing the separate financial statements of the parent charitable company, advantage has been taken of the following disclosure exemptions available in FRS 102:

- No cash flow statement has been presented for the parent charitable company;
- Disclosures in respect of the parent charitable company's financial instruments have not been presented as equivalent disclosures have been provided in respect of the group as a whole;
- No disclosure has been given for the aggregate remuneration of the key management personnel of the parent charitable company as their remuneration is included in the totals for the group as a whole.

### Going concern

The directors have assessed whether the use of the going concern basis is appropriate and have made this assessment based on a forecast for the parent company to the end of March 2026, a budget for EAL to March 2025 and a 10-year financial plan. The directors believe that the company's financial resources and contingency planning is sufficient to ensure the ability of the company to continue as a going concern for the foreseeable future, being at least twelve months from the date of approval of these financial statements and therefore have prepared the financial statements on a going concern basis.

### Financial statements

The financial statements consolidate the results of Enginuity and its subsidiaries on a line-by-line basis. Please see accounting note 3 for further details.

### Incoming resources

Income represents the amount receivable for goods and services for the period, but excludes value added tax and trade discounts.

All income is recognised once the charitable group has entitlement to the income. It is probable that the income will be received, and the amount of income receivable can be measured reliably.

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

Income from investments represents interest from bank deposits. Interest on funds held on deposit is recognised when receivable and the amount can be measured reliably by the charity. This is normally upon notification of the interest paid or payable by the bank.

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due. This is normally upon notification by our investment advisor of the dividend yield of the investment portfolio.

**Gift aid**

The charity owns the whole of the issued ordinary share capital of Excellence Achievement & Learning Limited, and Enginuity Skills Limited (see note 12).

Enginuity is a registered charity and as such is entitled to certain tax exemptions on income and profit from investments and surpluses on trading activities carried out in the furtherance of the charity’s primary objectives, if these profits and surpluses are applied solely for charitable purposes. The UK subsidiary companies give all their taxable profits to the charity, normally resulting in no liability for corporation tax.

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

**Resources expended**

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

Costs of raising funds are the costs incurred in attracting voluntary income and those costs incurred in trading activities that raise funds.

Governance costs form part of support costs for the charity. These include the external audit fee and an assessment of the time spent undertaking company secretarial responsibilities.

All expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party. It is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

Interest expenses are charged to the Statement of Financial Activities over the term of the debt using the effective interest method, so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

**Tangible fixed assets**

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

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

Depreciation is provided on the following basis:

	<b>Years</b>
Office furniture	10
Equipment	3

Only assets with a cost of over £5,000 are capitalised. The assets' residual values, useful lives and depreciation methods are reviewed and adjusted prospectively, if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

**Fixed asset investments**



Investments are stated at market value as at 31 March 2024. Realised and unrealised gains and losses are released or charged to the consolidated Statement of Financial Activities in the year in which they arise.

The investment in subsidiaries is stated at the lower of cost and net asset value.

**Debtors**

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**Cash**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

**Creditors**

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**Financial Instruments**

*Financial assets*

Financial assets, other than investments, are initially measured at transaction price (including transaction costs) and subsequently held at cost, less any impairment.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the consolidated Profit and Loss Account.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows, discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

*Financial liabilities and equity*

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form. Financial liabilities are initially measured at transaction price (including transaction costs) and subsequently held at amortised cost.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

**Grants payable**

Grants payable to other organisations are agreed as part of the Business Planning process. The cost is charged to the Statement of Financial Activities in the period to which the grant relates.

**Fund accounting**

The general reserve (unrestricted funds) comprises of those monies which may be used towards furthering the charitable objects.

**Leased assets: Lessee**

Where assets are financed by leasing agreements that give rights approximating to ownership (finance leases), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable over the term of the lease. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to profit or loss over the shorter of estimated useful economic life and the term of the lease.

Finance lease payments are analysed between capital and interest components so that the interest element of the payment is charged to profit or loss over the term of the lease and is calculated so that it represents a constant

proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

All other leases are treated as operating leases. Their annual rentals are charged to profit or loss on a straight-line basis.

#### **Pensions**

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid, the company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in other creditors as a liability in the statement of financial position. The assets of the plan are held separately from the company in independently administered funds.

Enginuity is a participating employer to a defined benefit scheme administered by ITB Pension Funds. A defined benefit scheme is a pension plan under which the company pays fixed pension to its employees. As a member of the multi-employer scheme where the assets and liabilities are not identifiable, Enginuity has accounted for the scheme as a defined contribution scheme to comply with the provisions of FRS 102. Pension contributions are charged to the consolidated Statement of Financial Activities so as to spread the regular cost of the pensions and related benefits over the employees' working lives.

#### **Judgements and key areas of estimation uncertainty**

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

##### **Leases**

Determine whether leases entered into by the company either as a lessor or a lessee are operating leases or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.

##### **Impairment**

Determine whether there are indicators of impairment of the company's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

##### **Tangible fixed assets**

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on the number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

### **3. INCOMING RESOURCES AND NET MOVEMENT IN FUNDS**

#### **a) Analysis of income**

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

Excellence Achievement & Learning Limited (EAL) conducted business with centres outside the UK totalling £65,142 in the year (2023: £51,266).

Externally funded projects income represents the contribution to Enginuity for staff time spent on projects funded by the UK government and other stakeholders. This income totalled £424,128 in the year (2023: £30,361).

Other income represents the charge to Enginuity customers for services provided by the charity. This relates to income generated through certification of learners, and development of National Occupation standards for devolved nations. This income totalled £156,675 in the year (2023: £328,461).

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

**b) Results of trading subsidiaries**

The charity owns 100% of the allotted ordinary share capital of the following companies which are incorporated in the UK, with the registered office addresses of both being the same as the parent charity:

- Excellence Achievement & Learning Limited (EAL) is the awarding organisation for vocational qualifications primarily in the engineering sector.
- Enginuity Skills Limited delivers certain contracts and commitment for third parties in the engineering and manufacturing sectors which Enginuity, the charity, may not be able to enter into itself.

A summary of the trading results included in the consolidated accounts is shown below.

Audited accounts for each subsidiary entity have been filed with the Registrar of Companies.

	EAL £'000	Enginuity Skills Limited £'000	2024 Total £'000	2023 Total £'000
<b>Income:</b>				
Income	13,557	7	13,564	12,104
Investment Income	171	0	171	0
<b>Total Income:</b>	<b>13,728</b>	<b>7</b>	<b>13,735</b>	12,104
<b>Expenditure:</b>				
Staff costs	4,530	0	4,530	3,436
Other operating charges	5,850	5	5,855	4,469
<b>Total Expenditure:</b>	<b>10,380</b>	<b>5</b>	<b>10,385</b>	7,905
<b>Net surplus/(deficit)</b>	<b>3,348</b>	<b>2</b>	<b>3,350</b>	4,199
Gift Aid to Enginuity	(3,148)	(2)	(3,150)	(4,199)
	<b>200</b>	<b>0</b>	<b>200</b>	0

**4. STAFF COSTS**

Group	2024 £'000	2023 £'000
Wages and salaries	6,739	5,379
Social security charges	729	608
Other pension costs	316	260
	<b>7,784</b>	<b>6,247</b>

During the year the group made termination payments of £233,346 (2023: £254,566).

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

	2024 No.	2023 No.
<b>By the Group</b>		
Qualification awarding services	100	85
Support Services Staff	38	30
	<b>138</b>	<b>115</b>

Charity

Notes to the Financial Statements

The parent charity's staff costs are as follows:	<b>2024</b>	2023
	<b>£'000</b>	£'000
Wages and salaries	<b>2,824</b>	2,434
Social security charges	<b>310</b>	274
Other pension costs	<b>120</b>	106
	<u><b>3,254</b></u>	<u>2,814</u>
	=====	=====

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

	<b>2024</b>	2023
	<b>No.</b>	No.
Charitable Activities Delivery Staff	<b>15</b>	14
Support Services Staff	<b>38</b>	32
	<u><b>53</b></u>	<u>46</u>
	=====	=====

**Emoluments of employees**

The number of employees whose emoluments as defined for taxation purposes exceeded £60,000 per annum during the period was as follows:

	<b>2024</b>	2023
£60,001 - £70,000	<b>22</b>	15
£70,001 - £80,000	<b>1</b>	3
£80,001 - £90,000	<b>4</b>	2
£90,001 - £100,000	<b>3</b>	4
£100,001 - £110,000	<b>1</b>	0
£110,001 - £120,000	<b>1</b>	0
£160,001 - £170,000	<b>0</b>	1
£180,001 - £190,000	<b>1</b>	0
£190,001 - £200,000	<b>1</b>	1
£260,001 - £270,000	<b>1</b>	1
	<u><b>35</b></u>	<u>27</u>
<b>Total</b>	<u><b>35</b></u>	<u>27</u>
	=====	=====

The total of key management personnel compensation for the year was £1,298,373 (2023: £933,188).

**Trustees' remuneration**

During the year, in accordance with the Articles of Association of the charity, payments were made to the Chair totalling £42,653 (2023: £40,367). The total amount of expenditure reimbursed to three Board members in respect of expenses (travel, subsistence and accommodation) incurred on the charity's activities was £2,400 (2023: £592, 3 board members). No other trustees received any remuneration (2023: £Nil).

**6. NET INCOMING RESOURCES**

Net incoming resources are arrived at after charging the following:

	2024 £'000	2023 £'000
Auditor's remuneration		
- Audit services	26	24
- Tax compliance services	7	6
- Other non-audit services	5	5
- Operating lease rentals-motor vehicles	31	99
- Depreciation	-	25
	<u>          </u>	<u>          </u>

Auditors' remuneration includes £5,120 in respect of the audit of the parent charity (2023: £4,840) and £20,480 in respect of the audit of the subsidiary undertakings (2023: £19,360). Fees in relation to non-audit services were £4,865 (2023: £4,675).

**7. EXPENDITURE ON CHARITABLE ACTIVITIES**

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

	Staff No's	Direct costs £'000	Support costs £'000	2023 Total costs £'000
Promoting the sector (Skills Awards)	1	0	118	118
Digital Skills Solutions	5	905	588	1,493
Certification	3	126	352	478
Framework	1	57	118	175
Partnerships, policies & strategic engagement	3	203	353	556
Other charitable costs	1	94	117	211
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
	14	1,385	1,646	3,031
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

Support costs have been allocated across the charitable activities based on average full-time equivalent headcount in the charity, as this basis is consistent with the use of the resources. Governance costs are included within support costs and totalled £58,164 (2023: £63,691) for the period. Governance costs consist of Chair's remuneration, group's audit fees, and expenses reimbursed to Board members in respect of expenses incurred on the charity's activities.

**8. INVESTMENT INCOME**

	2024 £'000	2023 £'000
Income from fixed asset investments	349	862
	<u>          </u>	<u>          </u>
	349	862
	<u>          </u>	<u>          </u>

**9. TAXATION**

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

**10. FIXED ASSETS**

	<b>Equipment £'000</b>	<b>Total £'000</b>
<b>Group</b>		
<b>Cost</b>		
At 1 April 2023	667	<b>667</b>
Disposal	(440)	<b>(440)</b>
	227	<b>227</b>
At 31 March 2024	227	<b>227</b>
	227	<b>227</b>
<b>Depreciation</b>		
At 1 April 2023	667	<b>667</b>
Disposal	(440)	<b>(440)</b>
Charge in year	0	<b>0</b>
	227	<b>227</b>
At 31 March 2024	227	<b>227</b>
	227	<b>227</b>
<b>Net Book Value</b>		
At 31 March 2024	0	<b>0</b>
	0	<b>0</b>
At 31 March 2023	0	<b>0</b>
	0	<b>0</b>
	<b>Office furniture &amp; equipment £'000</b>	<b>Total £'000</b>
<b>Charity</b>		
<b>Cost</b>		
At 1 April 2023	667	<b>667</b>
Disposal	(440)	<b>(440)</b>
	227	<b>227</b>
At 31 March 2024	227	<b>227</b>
	227	<b>227</b>
<b>Depreciation</b>		
At 1 April 2023	667	<b>667</b>
Disposal	(440)	<b>(440)</b>
Charge in year	0	<b>0</b>
	227	<b>227</b>
At 31 March 2024	227	<b>227</b>
	227	<b>227</b>
<b>Net Book Value</b>		
At 31 March 2024	0	<b>0</b>
	0	<b>0</b>
At 31 March 2023	0	<b>0</b>
	0	<b>0</b>

**11. FIXED ASSET INVESTMENTS**

			2024	2023
Group & Charity	COIF Charity £'000	BNY Mellon £'000	£'000	£'000
Balance 1 April 2023	23,968	5,303	29,271	30,536
Additions	5,476	-	5,476	18
Disposals	-	(5,303)	(5,303)	(19)
Net Gain/(Loss) gain on revaluation	3,092	-	3,092	(1,264)
	<u>32,536</u>	<u>-</u>	<u>32,536</u>	<u>29,271</u>
Cash awaiting investment	1,635	-	1,635	2,135
	<u>34,171</u>	<u>0</u>	<u>34,171</u>	<u>31,406</u>
Balance at 31 March 2024 at Market Value	<u>34,171</u>	<u>0</u>	<u>34,171</u>	<u>31,406</u>
Historical cost of Investments	<u>31,047</u>	<u>0</u>	<u>31,047</u>	<u>30,345</u>

The net gain / (loss) on revaluation was £3,092k (2023: £1,264k)

	2024	2023
	£'000	£000
COIF Charities investment fund unit	32,536	23,968
COIF Deposit fund	1,635	2,135
BNY Mellon Real Return fund Newton Inst. Share (inc)	0	5,303
	<u>=====</u>	<u>=====</u>

**12. INVESTMENTS IN SUBSIDIARIES**

	2024	2023
	£'000	£'000
<b>Charity</b>		
Shares at cost	50	50
	<u>50</u>	<u>50</u>

The charity owns 100% of the allotted ordinary share capital of the following subsidiaries, all of which are registered in England and Wales:

**Excellence Achievement & Learning Limited (company registration no 02700780)**

A company registered in England and Wales which provides the assessment systems for awarding vocational qualifications, primarily in the engineering sector, and acts as the awarding body for those qualifications.

**Enginuity Skills Limited (company registration no 12172530)**

A company registered in England and Wales whose principal activity is the provision of projects for specific commercial partners within the engineering sector.

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

Notes to the Financial Statements

13. DEBTORS	Group		Charity	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
<b>Amounts falling due within one year</b>				
Trade debtors	1,914	1,278	197	145
Amounts owed by subsidiary undertakings	0	0	3,691	1,637
Other debtors	17	0	0	0
Prepayments	579	528	298	211
Accrued income	26	180	7	180
	<u>2,536</u>	<u>1,986</u>	<u>4,193</u>	<u>2,173</u>

Bad debt recognised for the group during the year as a reduction in expense was £27,380 (2023: £47,909).

14. CREDITORS: amounts falling due within one year	Group		Charity	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Trade creditors	522	332	277	151
Taxation and social security	340	262	227	175
Other creditors	85	114	69	7
Accruals	493	505	236	234
Deferred income	3,591	3,616	127	163
	<u>5,031</u>	<u>4,829</u>	<u>936</u>	<u>730</u>

15. CREDITORS: amounts falling due after one year	Group		Charity	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Deferred Income	1,137	1,051	0	0
	<u>1,137</u>	<u>1,051</u>	<u>0</u>	<u>0</u>

16. DEFERRED INCOME	Group		Charity	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Balance at 1 April	4,667	4,590	163	24
Amount released to income	(163)	(58)	(163)	(24)
Amount deferred in the period	224	135	127	163
	<u>4,728</u>	<u>4,667</u>	<u>127</u>	<u>163</u>

Deferred income of £127k (2023: £163k) relates to externally funded projects, both from customers within and outside of UK, with deliverables within 1 year.

17. FINANCE LEASE AGREEMENTS  
The group has no finance leases outstanding



**18. OBLIGATIONS UNDER OPERATING LEASE AGREEMENTS**

At 31 March 2024 the group has future minimum lease commitments as follows:

	<b>2024</b>	2023
	<b>£'000</b>	£'000
<b>Expiry date</b>		
Less than one year	1	14
One to five years	0	3
	<u>1</u>	<u>17</u>
	<u><u>1</u></u>	<u><u>17</u></u>

**19. FUNDS AND RESERVES**

<b>Group</b>	Restricted	Unrestricted	<b>Total funds</b>	Total Funds
	funds	funds		
	2024	2024	<b>2024</b>	2023
	£'000	£'000	£'000	£'000
At 1 April	0	34,626	34,626	33,562
Gains/(losses) on Investments	0	3,092	3,092	(1,264)
Income Received	122	14,372	14,494	13,324
Expenditure	(133)	(14,001)	(14,134)	(10,996)
Transfer between funds	11	(11)	0	0
	<u>0</u>	<u>38,078</u>	<u>38078</u>	<u>34,626</u>
	<u><u>0</u></u>	<u><u>38,078</u></u>	<u><u>38078</u></u>	<u><u>34,626</u></u>

<b>Charity</b>	Restricted	Unrestricted	<b>Total funds</b>	Total Funds
	funds	funds		
	2024	2024	<b>2024</b>	2023
	£'000	£'000	£'000	£'000
At 1 April	0	34,566	34,566	33,453
Gains/(losses) on Investments	0	3,092	3,092	2,985
Income Received	122	3,787	3,909	1,221
Expenditure	(133)	(3,613)	(3,746)	(3,093)
Transfer between funds	11	(11)	0	0
	<u>0</u>	<u>37,821</u>	<u>37,821</u>	<u>34,566</u>
	<u><u>0</u></u>	<u><u>37,821</u></u>	<u><u>37,821</u></u>	<u><u>34,566</u></u>

**20. NET ASSETS/LIABILITIES**

	<b>Group</b>		<b>Charity</b>	
	<b>Unrestricted funds</b>	Unrestricted funds	<b>Unrestricted funds</b>	Unrestricted funds
	<b>2024</b>	2023	<b>2024</b>	2023
	£'000	£'000	£'000	£'000
Tangible fixed assets	0	0	0	0
Investments	34,171	31,406	34,221	31,406
Current assets	10,075	9,100	4,536	6,451
Current liabilities	(5,031)	(4,829)	(936)	(3,291)
Non-current liabilities	(1,137)	(1,051)	0	0
	<u>38,078</u>	<u>34,626</u>	<u>37,821</u>	<u>34,566</u>
	<u><u>38,078</u></u>	<u><u>34,626</u></u>	<u><u>37,821</u></u>	<u><u>34,566</u></u>

<b>21. FINANCIAL ASSETS AND LIABILITIES</b>		<b>2024</b>	2023
		<b>£'000</b>	£'000
Group Financial assets measured at fair value through profit or loss		<b>32,536</b>	29,272
		<u>          </u>	<u>          </u>

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

**22. LIABILITY OF MEMBERS**

The charity is constituted as a company limited by guarantee. In the event of the charity being wound up, members are required to contribute an amount not exceeding £1.

**23. RELATED PARTY TRANSACTIONS**

Due to the nature of the charity, most trustees will be associated with organisations which may have a financial relationship with the charity. Opportunity is given for disclosure of any financial or other interest prior to any Board discussions.

All transactions involving organisations in which a member of the key management may have an interest are conducted at arm's length and in accordance with group's financial regulations and normal procurement procedures.

During the year, the group incurred cost in relation to hire of venues amounting to £16,754 (2023 £8,584) provided by Make UK. Sales of £12,012 were also made (2023: £29,678). The Group Chief Executive Officer was appointed to the Make UK board during the financial year 2022-23.

During the year, the group incurred cost in relation to internal audit amounting to £4500 (2023 : Nil) provided by My Accountancy People Limited ( a trustee has a senior role in this company).

During the year, the group received £15,000 (2023: £15,000) from Rolls Royce in relation to sponsorship of the Skills Awards and £1,544 (2023: £1,816) for assessment and qualifications income (a trustee has a senior role within this company).

During the year the group received £5,000 (2023: Nil) from Siemens PLC in relation to sponsorship of the Skills Awards and £25,888 (2023: £78,510) for assessment and qualifications income (a trustee has a senior role within this company).

During the year the group received £61,901 (2023: £71,714) from Birmingham Metropolitan Colleges in relation to assessment and qualifications income (a trustee has a senior role within this company).

During the year the group received £6,321 (2023: £3,658) from Burton and South Derbyshire Colleges in relation to assessment and qualifications income (2 trustees have senior roles within this company).

During the year the group received £790 (2023: £522) from National Physical Laboratory in relations to centre recognition (a trustee has a senior role within this company).

At the year end there was £1,800 owed to suppliers and £6,014 owed to the group relating in respect to our related parties.

**24. PENSION COMMITMENTS**

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid, the company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the statement of financial position. The assets of the plan are held separately from the company in independently administered funds.

EAL is a participating employer to a defined benefit scheme administered by ITB Pension Funds. A defined benefit scheme is a pension plan under which the company pays fixed pension to its employees. As a member of the multi-employer scheme where the assets and liabilities are not identifiable, EAL has accounted for the scheme as a defined contribution scheme to comply with the provisions of FRS 102. Pension contributions are charged to the consolidated Statement of Financial Activities to spread the regular cost of the pensions and related benefits over the employees' working lives.

The total cost to the company under both schemes for the year was £316,338 (2023: £259,715).