



**ANNUAL REPORT AND  
FINANCIAL STATEMENTS**  
**2025**

Registered Charity Number 286142

# CONTENTS

<b>1. About the Engineering Council</b> .....	<b>3</b>
Foreword from the Chair and Chief Executive.....	4
<b>2. Strategy and performance in 2025</b> .....	<b>6</b>
Our 2025 Strategy .....	7
A profession you can count on .....	9
<b>3. 2025 Activities and Achievements</b> .....	<b>10</b>
Diversity & Inclusion.....	11
Digital Innovation.....	13
International .....	15
Engineering & Society.....	17
Registration statistics as of 31 December 2025 .....	18
Strategy 2030 .....	22
<b>4. Risk and compliance</b> .....	<b>24</b>
<b>5. Financial review</b> .....	<b>28</b>
Engineering Council Pension Scheme.....	28
Reserves.....	28
Investment Policy and Returns.....	29
Expenditure on charitable activities .....	30
<b>6. Public benefit</b> .....	<b>30</b>
<b>7. How we operate</b> .....	<b>31</b>
Professional Advisors.....	36
<b>8. Statement of Trustees' responsibilities</b> .....	<b>37</b>
<b>9. Independent auditor's report to the Trustees of The Engineering Council</b> .....	<b>38</b>
<b>10. Statement of financial activities for year ended 31 December 2025</b> .....	<b>41</b>

# 1. About the Engineering Council

We are the UK's regulatory body for the engineering profession, trusted to unite and lead through standards.

Operating as a charity under Royal Charter, we champion responsible engineering for society's benefit, advancing standards across a growing community of engineering professionals.

We do this by:

- Setting, upholding and advancing standards for engineering competence and commitment throughout the UK engineering profession
- Licensing professional engineering institutions to assess individuals for professional registration and recognise programmes of learning and development
- Holding and growing the national Register of the engineers and technicians who are demonstrating these standards.

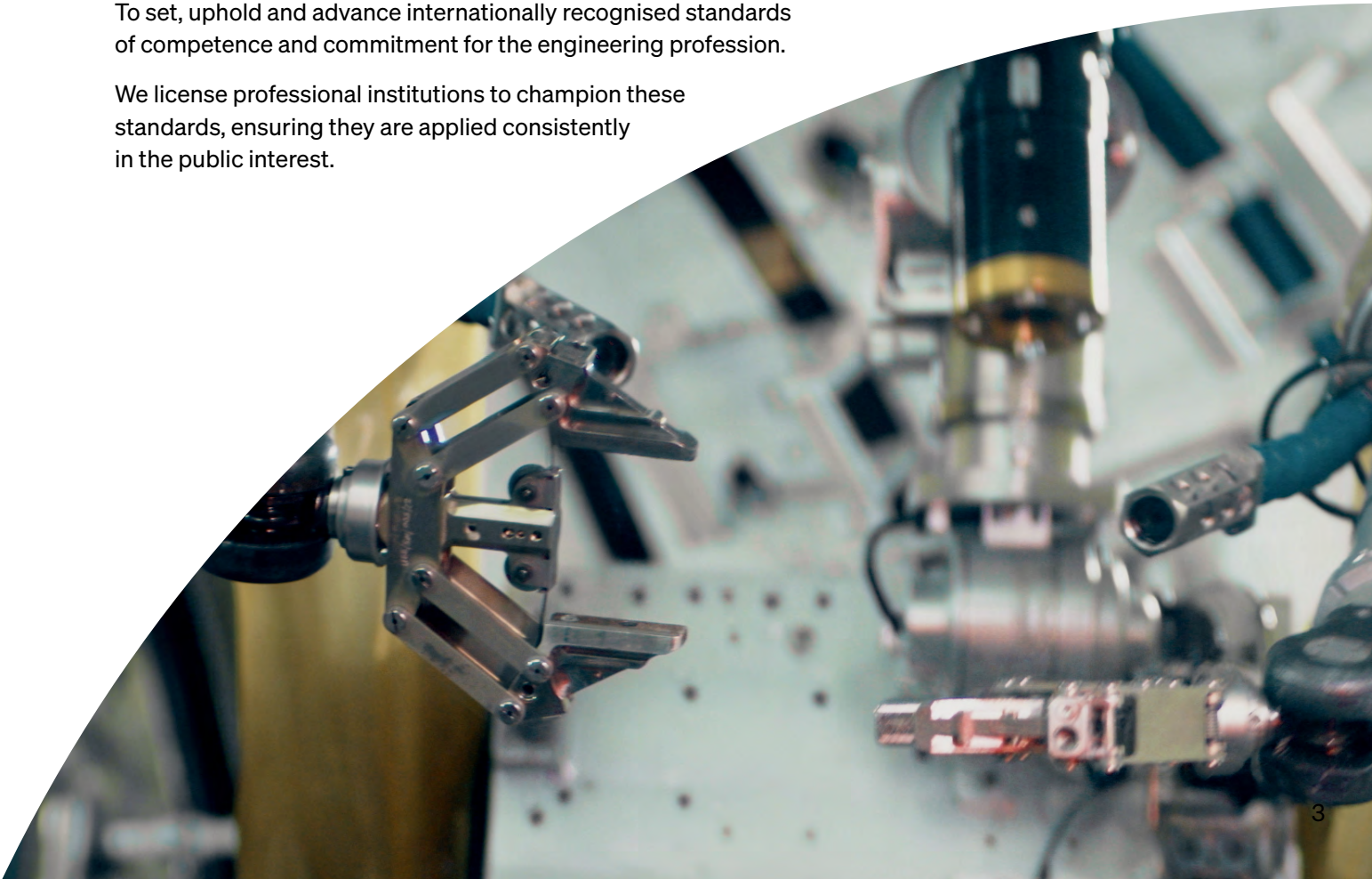
## Vision

That society continues to have confidence and trust in the engineering profession.

## Mission

To set, uphold and advance internationally recognised standards of competence and commitment for the engineering profession.

We license professional institutions to champion these standards, ensuring they are applied consistently in the public interest.



# Foreword

**2025 was a year of sustained activity, significant delivery and thoughtful preparation for the future at the Engineering Council. It has been a year defined not only by landmark achievements, but also by careful engagement with complex external challenges and a continued focus on strengthening our organisation for the years ahead.**

A major highlight of the year was the launch of our new UK Standard for Engineering Competence and Commitment contextualised for Higher Risk Buildings (UK-SPEC HRB). Officially launched on 1 May at the House of Lords, this milestone represents a critical step forward in supporting public safety and reinforcing confidence in the engineering profession. With the first applications successfully completed, this important work has moved firmly from development into delivery, and our sincere thanks to colleagues across the organisation and wider profession whose expertise, dedication and collaboration made this possible.

Alongside this significant achievement, much of our focus during the year has been on shaping the Engineering Council's future direction through the development of our new 2030 Strategy. Extensive engagement and consultation have ensured that the Strategy is informed by a wide range of perspectives, and we look forward to formally publishing this in the New Year and to providing a clear framework to guide our priorities and activities over the coming decade.

Throughout 2025, we have also been closely engaged with the implications of the Grenfell Tower Inquiry Phase 2 report. Responding to its recommendations has required detailed and ongoing dialogue with Government and other partners, as we work to understand how the regulation of the engineering

profession must evolve to meet heightened expectations around public safety and accountability. To support this work, we have commissioned a comprehensive Regulatory Review, focused on reinforcing public benefit as the core purpose of registration, and on strengthening both codes of conduct and continuing professional development requirements.

Looking internally, and against a backdrop of continuing global and national challenges, supporting the wellbeing of our people has remained a priority. A programme of wellbeing initiatives has run throughout the year in support of our Health@Work Wellbeing Charter with our HR team introducing a number of important policies that underscores our commitment to a safe, respectful and supportive working environment.

Our business support functions have continued to perform strongly. We received excellent feedback following our ISO 9001 re-certification visit in January 2025, with no non-conformances or findings raised, and our financial audit similarly reported no control points.

Progress on our digital transformation has also gathered pace. The development of a shared Digital, Data and Technology Strategy will play a vital role in supporting delivery of the new 2030 Strategy. This year has already seen several notable successes, including the launch of our new website and a redeveloped SharePoint Online intranet, alongside important developments to our mycareerpath® CPD recording system.

Internationally, we have continued to strengthen our position and influence. Our Washington Accord signatory status was extended for a further six years,

and we have maintained a productive dialogue with US counterparts as we begin to fully realise the benefits of our Mutual Recognition Agreement. The inclusion of this Agreement in the UK Trade Strategy was also a particularly proud moment for the organisation. On the policy front, we published revised whistleblowing guidance and a new Equality, Diversity and Inclusion Policy Statement, reinforcing our leadership and commitment in these areas.

Stakeholder engagement has remained central to our work, with our hosting in May of an inaugural networking event for the professional engineering institutions a significant and well-received event during the year. Our partnerships with organisations such as EngineeringUK and the Royal Academy of Engineering continue to flourish, and our work with the Academy this year has been marked by the launch of a joint Ethics Committee and the review of our jointly owned Statement of Ethical Principles.

Supporting all this activity are our core regulatory functions of registration and licensing, critical to maintaining our obligations as the regulatory body for engineering and the integrity of the national Register. This year has seen several developments, from the implementation of the Higher Risk Buildings Standard and registration, to managing the increasing number of international applications, as well as preparing for future system developments.

Looking ahead, 2026 promises to be another year of opportunity and challenge. The launch of our new 2030 Strategy and refreshed branding will help us become more prominent and influential, reinforcing our role in leading and uniting the profession, raising standards and maintaining public confidence in a safe, competent and responsible engineering profession. A number of interconnected reviews will require careful alignment and strong governance but we are confident that, with the continued commitment and support from our Board of Trustees and stakeholders, and the professionalism of our hardworking staff, we are well placed to meet future challenges and to continue delivering in the public interest through our organisational values of fairness, integrity and transparency.



**Chief Executive Officer**

**Paul Bailey**  
BSc (Hons) FRAeS MInstP



**Chair**

**Professor John Chudley**  
BSc PhD CEng FIMarEST



## 2. Strategy and performance

**We published our 2025 Strategy, 'Advancing Regulation' in July 2021.  
The goal of that strategy is:**

To maintain the public's confidence in the engineering profession through wider promotion of the Engineering Council's regulatory work, its leadership role within the engineering community and a greater, more diverse and engaged registrant population.

**Our 2025 Strategy is focused around four key themes:**

### **DIVERSITY & INCLUSION**

To support, develop and encourage a more diverse and inclusive profession

### **DIGITAL INNOVATION**

To support a more digitally innovative profession

### **INTERNATIONAL**

To maintain, develop and promote an internationally respected standard

### **ENGINEERING & SOCIETY**

To strengthen the sustainable and ethical core of the engineering profession

**Our two strategic enablers, which inform and structure our subsequent strategic outcomes:**

### **OPERATIONAL EXCELLENCE**

Ensuring that we maintain and enhance an agile and efficient operations model

### **STRATEGIC PARTNERING**

Ensuring that we maintain and enhance key strategic alliances with a range of important stakeholders

The Engineering Council acts as the 'Council of Engineering Institutions', impartially representing the community of professional engineering institutions and convening expert opinion about competence, commitment and professional development.



# Advancing Regulation

Our year  
by numbers

## A profession you can count on

During 2025 we pursued our strategic themes to advance regulation, while maintaining our focus on the ongoing activities that contribute to a trusted, responsible engineering profession.

211,574

At the end of 2025 there were **211,574** people on our Register, holding at least one of our professional titles. Of these, 78% are Chartered Engineers (CEng). While the gradual downward trend remains a concern, retention remains above 95%.

18,110

There were **18,110** women on our Register at the end of 2025. While this is only 8.6% of the registrant population overall, women account for 13.8% of new registrants.

40

At the heart of our regulatory work is our licensing of **40** professional engineering institutions (Licensed PEIs) to assess individuals for professional registration and recognise programmes of learning and development. Five are now licensed to assess candidates for our new Higher-Risk Buildings (HRB) Register, with the first candidates completing registration in 2025.

119

During 2025 we undertook 28 risk assessments and 13 licence reviews to monitor and regulate the activity of Licensed PEIs, receiving **119** Liaison Officer reports providing a vital link between our organisations.

42,087

In total, there were **42,087** registrants from outside the UK, reflecting 19.9% of the total registrant population. While other continents saw a slight decline, the year on year growth in Asia continued, rising by 0.91% in 2025.

70,743

Our online Course Search was viewed over half a million times by a total of **70,743** people during 2025, helping prospective engineers and technicians find courses that have been recognised as meeting our Standards.

26%

The number of International Professional Engineer registrations grew by **26%** last year, as mutual recognition agreements, such as the one we established with the US, continue to enhance international mobility of engineering professionals.

67,000

During 2025 there were more than **67,000** learning items logged on **mycareerpath**<sup>®</sup>, reflecting our continuing focus on through-career competence, and the introduction of a minimum CPD sample size for licensed institutions.

900

Overall nearly **900** registrants submitted their annual CPD records using the **mycareerpath**<sup>®</sup> sampling interface in 2025 - more than ever before. During the year 6,000 new accounts were registered on the system.

1,200

During 2025 volunteers from throughout the engineering community gave time and expertise to advance regulation in engineering through our committees and panels, and through working groups to guide our activity in areas such as fairness, diversity and inclusion. This volunteer effort, adding up to well over **1,200** days, has a financial value of around £620,000 but is invaluable to our regulatory activity.

### 3. Achievements in 2025



...we undertook a review of several key topics related to our strategic themes, which included how EDI is reflected within our Standards.

# Diversity & inclusion

## Achievements in 2025

Equality, diversity and inclusion (EDI) remained central to our work in 2025, reflecting our commitment to a profession that is fair, accessible and representative of the society it serves. We published our Equality, Diversity and Inclusion statement on 23 June, coinciding with International Women in Engineering Day, reaffirming our ambition to support a more diverse, equitable and inclusive registrant community.

As part of preparations to revise the UK Standard for Engineering Competence and Commitment (UK-SPEC) and the Standards for recognised engineering education programmes, we undertook a review of several key topics related to our strategic themes, which included how EDI is reflected within our Standards. This was conducted through a series of thematic workshops with stakeholders, notably a session focused on ethics, inclusion and human factors, ensuring that future Standards are informed by a broad range of perspectives and lived experience.

We published new Guidance on Recognised Programmes and Reasonable Adjustments, responding to emerging developments and queries, including those arising from neurodiversity research. The guidance was developed through consultation with task-and-finish groups and recommended for use by the Education and Skills Advisory Panel before being formally approved by the Registration Standards Committee. Since publication, it has already supported consistent and proportionate responses to individual queries.

Our EDI Working Group continued to meet, developing a stakeholder and initiative map to identify where there are gaps that are appropriate for the Engineering Council to fill. This enabled the group to agree a roadmap, including work that will inform our Standards and guidance development, and has helped to shape our new Strategy 2030. Our Board of Trustees also participated in a workshop aimed at understanding their role in driving and championing our EDI ambitions.

We also participated in the third round of the Royal Academy of Engineering and Science Council-led EDI Progression Framework, involving an organisation-wide review of our operations through an EDI lens. This confirmed that actions in our EDI roadmap are the right ones to progress our strategic work, while also identifying some quick-win actions.

## Achievements in 2025

**We will build on this in  
2026 by extending secure  
collaboration spaces to  
external partners**

# Digital Innovation

## Achievements in 2025



**In 2025, we strengthened our digital foundations to support more effective engagement, collaboration and regulation. We launched a new website designed to be clearer, easier to navigate and more accessible, improving how stakeholders find and use information. As part of our developing Digital, Data and Technology Strategy, we also introduced a new intranet to streamline internal communications and migrated our core ways of working to SharePoint Online, enabling more efficient processes and collaboration. We will build on this in 2026 by extending secure collaboration spaces to external partners.**

Version 3.0 of the mycareerpath® professional development system was deployed in May 2025 for participating Licensed professional engineering institutions (LPEIs), Professional Affiliates and their members. The upgraded platform features a modern, intuitive interface that allows users to plan, record and report continuing professional development (CPD) activity in line with Engineering Council requirements.

We progressed the recommendations of the cross-sector AI Working Group, which published its official report in 2025. Activity during the year included monitoring and encouraging PEI adoption of new technologies and delivering an AI workshop for PEIs in June 2025. We issued new guidance on the use of automation in the assessment of CPD records as well as guidance on technological developments and recognised programmes, supporting the responsible and proportionate integration of emerging technologies across the sector.

Achievements in 2025



# International

Achievements  
in 2025

**In 2025, we were honoured to re-sign Admission Pathway Agreements with Engineers Ireland and Engineers New Zealand, and we will pursue further bilateral arrangements in 2026**

**International recognition and professional mobility remained a strong strategic focus in 2025. Building on the Mutual Recognition Agreement signed in 2024 with the USA's National Council of Examiners for Engineering and Surveying (NCEES), demand for International Professional Engineer (IntPE) registration continued to grow. We were particularly pleased that this agreement was cited in the UK Trade Strategy as a practical example of how robust professional regulation can support economic growth without compromising standards.**

Alongside this, we continued to support the UK Government's Free Trade Agreements and wider Industrial and Trade strategies where these affect the engineering profession internationally.

The UK's signatory status to the Washington Accord for Chartered Engineer (CEng) was unanimously extended for a further six years at the International Engineering Alliance (IEA) annual meeting in Mexico, reflecting continued international confidence in UK engineering education and standards. We also continued to monitor and review our participation in the Dublin and Sydney Accords.

We have continued to use established organisations and mechanisms such as ENGINEERS EUROPE, including EUR-ING, alongside IntPE recognition and tailored bilateral agreements, to ensure professional mobility can be enabled within a regulated framework. In 2025, we were honoured to re-sign Admission Pathway Agreements with Engineers Ireland and Engineers New Zealand, and we will pursue further bilateral arrangements in 2026.



As a charity, we remain committed to supporting engineers and technicians at every career stage...

# Engineering & Society

## Achievements in 2025

**A defining achievement of 2025 was the formal launch of the UK Standard for Engineering Competence and Commitment contextualised for Higher-Risk Buildings (UK-SPEC HRB). Following publication of competences in 2023 and formal approval from the Privy Council to establish a Higher-Risk Buildings Register for engineers and technicians in the built environment, the new Standard and Register were launched on 1 May at the House of Lords. Generously supported by Dame Judith Hackitt, the event marked a significant milestone for the profession.**

Five Licensed Professional Engineering Institutions are now approved to assess applicants against UK-SPEC HRB, with registrations continuing to grow. Set against sustained government focus on improving building safety, this represents an important step in reinforcing public trust and supporting a safer built environment.

We also welcomed the Government's renewed commitment to public safety through the publication of the Single Construction Regulator Prospectus and the Fire Engineers Authoritative Statement. These developments align closely with our own work to strengthen competence, clarify professional roles and support a sustainable fire engineering workforce.

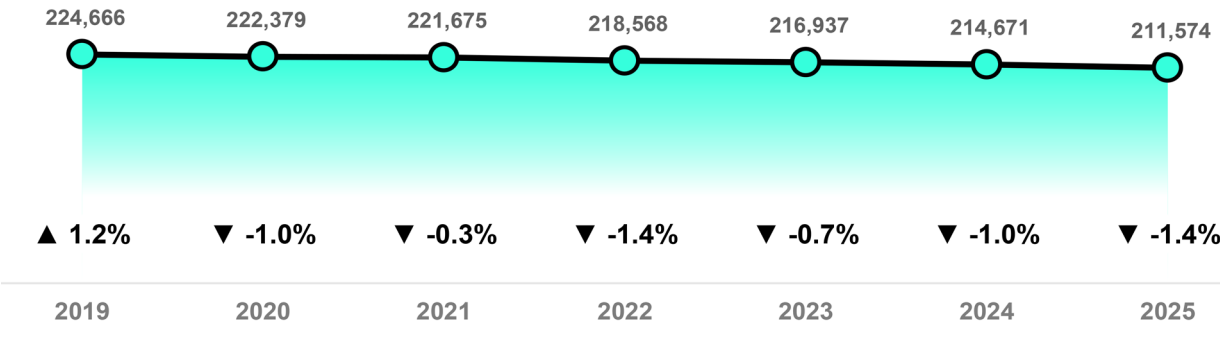
As a charity, we remain committed to supporting engineers and technicians at every career stage through our guidance for the profession on ethics, sustainability, risk and security. In 2025, we published our updated Guidance on Whistleblowing, recognising its vital role in professional responsibility and public protection.

We were proud to support the first successful pilot of the Mentoring Refugees into Work programme, which included eight mentees and mentors, and to take part in the inaugural Chartered Week, highlighting the value of professional registration to individuals, employers and society.

# Registration Statistics as of 31 December 2025

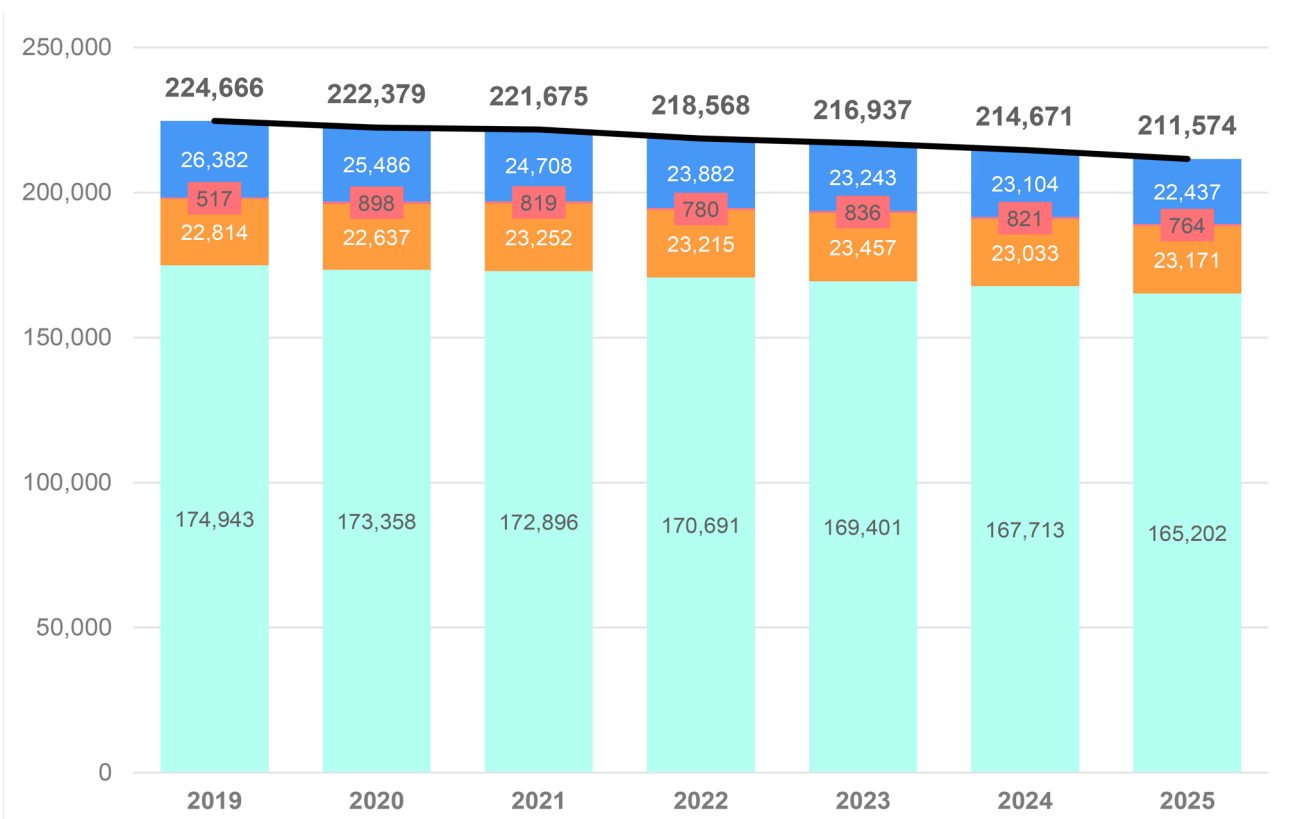
**Figure 1: Total number of registrants**

This shows registrants holding at least one institutional title (CEng, IEng, EngTech, ICTTech)



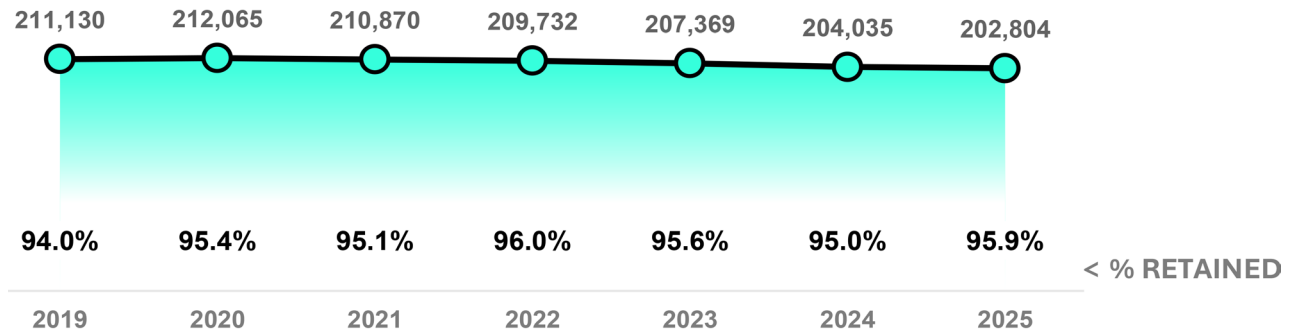
**Figure 2: Total number of registrants**

Some registrants hold more than one title. This chart shows the highest title held by each registrant, with CEng as the highest, followed by IEng, EngTech and ICTTech.



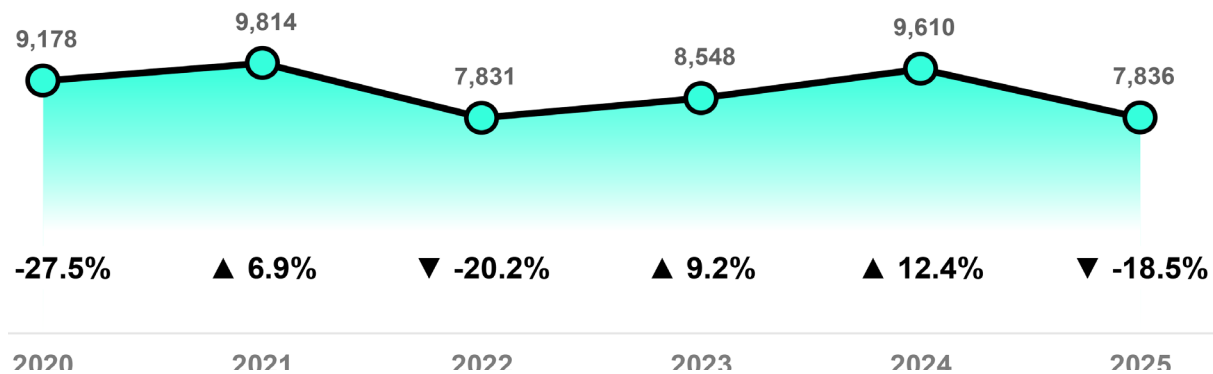
**Figure 3: Total number of retained registrants**

This shows registrants holding at least one institutional title in both 2024 and 2025.



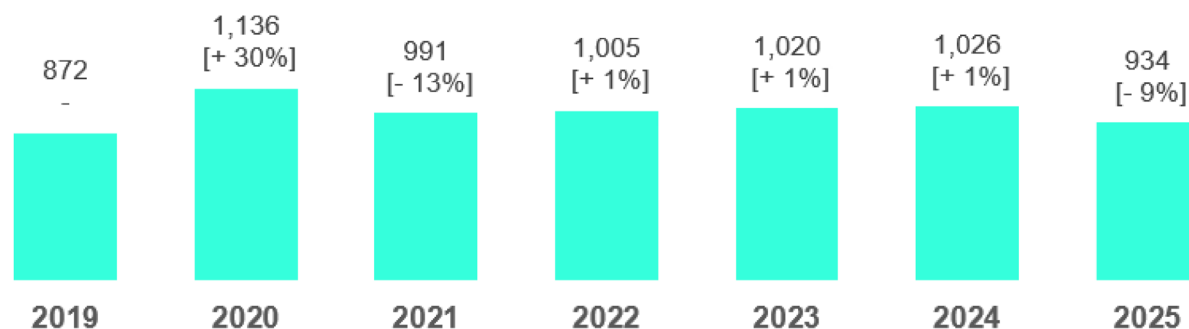
**Figure 4: Total number of new registrants**

This shows registrants added to the Register during 2025, having not been on previously.



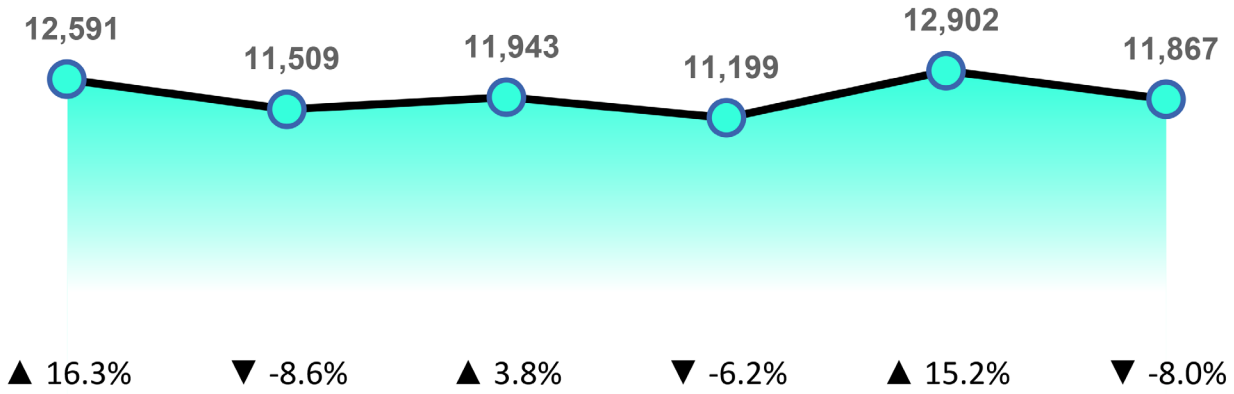
**Figure 5: Total number of registrants returning to the Register**

This shows registrants added to the Register during 2025, having been inactive in 2024 but active in previous years.



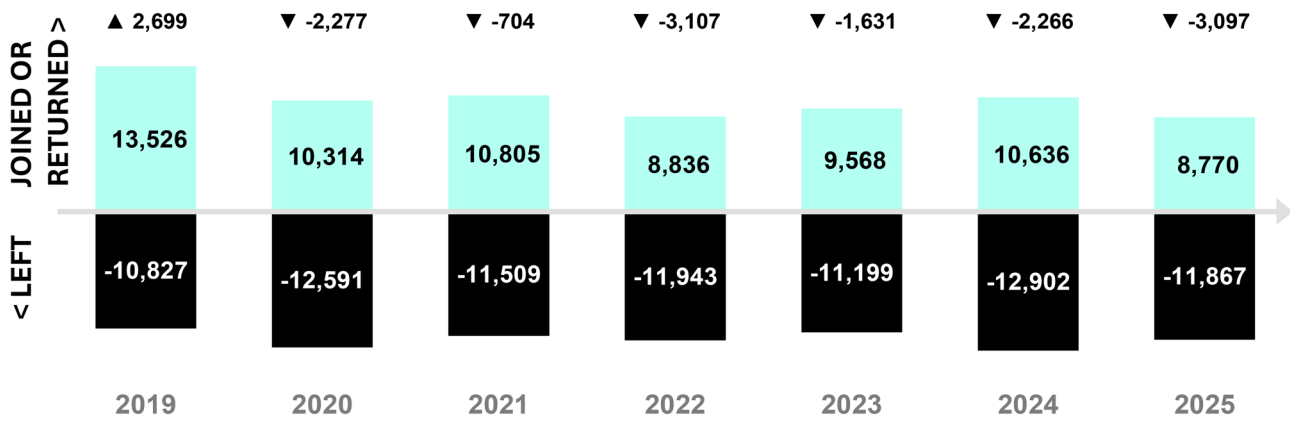
**Figure 6: Total number of registrants leaving the Register**

This shows registrants who left the Register in 2025.



**Figure 7: Net movement**

This compares the number of registrants joining or returning to the Register with the number leaving the Register, to show the net movement during 2025.



**Figure 8: Number of international registrants (those living outside the UK) by title**

Title	2020	2021	2022	2023	2024	2025	1 Year Change	6 Year Trend
CEng	38,421	38,802	38,723	38,963	39,014	38,846	-0.4%	▲ 1.1%
IEng	2,681	2,468	2,368	2,230	2,065	1,985	-3.9%	▼ -26.0%
EngTech	1,320	1,322	1,245	1,183	1,150	1,236	7.5%	▼ -6.4%
ICTTech	19	16	16	19	21	20	-4.8%	▲ 5.3%

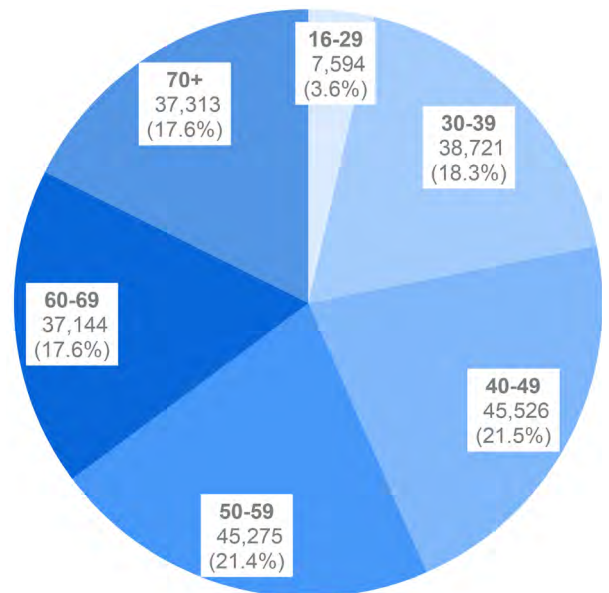
**Figure 9: Number of international titles on the Register**

Title	2020	2021	2022	2023	2024	2025	1 Year Change	6 Year Trend
EUR ING	5,855	5,490	5,266	5,083	4,828	4,636	-4.0%	▼ -20.8%
IntET	9	7	5	3	7	8	14.3%	▼ -11.1%
IntPE	283	300	317	327	347	436	25.6%	▲ 54.1%
IntETn				1	2			

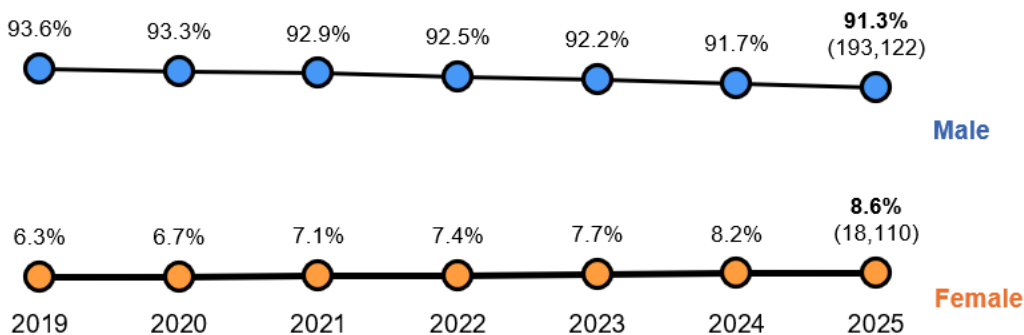
**Figure 10: Total number of registrants by age group**

This chart shows the composition of the Register by age group in 2025, with the percentage of each group in brackets. Comparative data for 2024 is below.

Age group	2024	2025
16-29	7,935	7,594
30-39	39,361	38,721
40-49	44,892	45,526
50-59	47,030	45,275
60-69	37,792	37,144
70 Plus	37,660	37,313



**Figure 11: Total number of registrants by sex**





# Strategy 2030

Our 2030 Strategy sets out how we will strengthen regulation of the engineering profession so that engineers and technicians are trusted and empowered to apply the highest professional standards in shaping a safe, sustainable and successful future.

We will achieve this goal through our four strategic themes:

- 1** Adapting our regulation to the developing engineering landscape
- 2** Building fairness, diversity and inclusion in the profession
- 3** Promoting awareness and adoption of our trusted Standards
- 4** Strengthening commitment to global responsibility.

## Theme 1

### Adapt our regulation to the developing engineering landscape

Ensuring our Standards remain relevant and coherent across established and emerging areas of engineering practice will improve public safety and maintain trust in a changing profession.

We will have succeeded if we grow the number of registered engineering professionals working to our recognised Standards of competence and commitment in both established and emerging areas of practice.

## Theme 2

### Build fairness, diversity and inclusion in the profession

A professional registration system that enables participation across the diversity of our society in the UK will help ensure engineering serves the needs of all and continues to act in the public interest, fostering a culture of fairness and inclusion throughout the profession.

We will have succeeded if fairness in professional registration is demonstrably strengthened, equality of opportunity is protected, structural barriers are reduced through proportionate action, and registrants are equipped to uphold inclusive practice in their professional roles.

## Theme 3

### Promote awareness and adoption of our trusted Standards

Professional registration provides assurance that engineers and technicians are competent and committed to practising safely for the public benefit according to recognised Standards, including codes of professional conduct. We will focus on how this assurance benefits individuals, employers, industry and society.

We will have succeeded if there is greater awareness and understanding among key decision-makers of the value of professional registration, so more of them actively drive adoption of our Standards to keep people safe, support growth and cultivate trust in engineering.

## Theme 4

### Strengthen commitment to ethical practice and global responsibility

Strengthening expectations for ethical and globally responsible decision-making – the exercise of sound judgment that takes account of the wider and longer-term consequences of decisions in an interconnected world – will maintain trust in the engineering profession's commitment to meet today's needs and those of future generations.

We will have succeeded if registered engineers and technicians have greater confidence and competence to navigate and respond to ethical issues they face in practice, balancing the needs of all people within the limits of our planet.

## 4. Risk and compliance

### How the Engineering Council manages risk and opportunities

The Engineering Council maintains a Risk and Opportunity Management Policy & Procedure which forms part of the EngC's internal control and governance arrangements. It explains the EngC's underlying approach to risk management including how the organisation views, identifies, assesses, and manages risk. It also describes the process the Board uses to manage the Engineering Council's risk management process and evaluate the effectiveness of the internal control procedures. In 2025 a formal review of the Risk Management Framework was completed which resulted in a revised Risk and Opportunity Management Policy & Procedure.

Engineering Council maintains a Trustee Risk Register which identifies risks that could have an impact on the organisation's ability to deliver its strategic objectives, including all legal and financial mandates, assess the probability and impact of those risks occurring and details the measures in place to manage and mitigate them.

The Trustee Risk Register is supported by several Functional Risk Registers, each covering the main activities of the Board's Committees and Panels, and which identify risks that could have an impact on the organisation's ability to deliver its strategic objectives in those areas. These registers are reviewed at each of the Committee/Panel meetings with the Risk Moderation Panel, via delegated authority from the Management Panel, undertaking a holistic review every quarter.

### Role of the Executive Team and Management Panel

Day to day management of individual risks is the responsibility of the appropriate staff member where decisions are delegated to them as recorded in the risk registers. The Risk Moderation Panel reviews the risk registers at each meeting and reports any concerns about risk and their management to the Board and/or the respective committee / panel. Risk registers are reviewed at each Board meeting. Should any other risk emerge that is assessed to fall into one of the categories described above or which may result in the levels of tolerable risk set out in the EngC's risk appetite statement being exceeded then this should be referred to the Board and/or respective committee / panel for review.

As part of the business planning process, the Executive Team scans the horizon to identify changes in the external environment that may have an impact on the EngC's operations. Both PESTLE and SWOT analysis frameworks are utilised to do this, which then instructs the 'opportunity and risk' identification process.

As part of the business planning process, all key tasks will record risks, opportunities and issues that may affect the achievement of expected outputs in either Functional Risk Registers or the Projects Risk & Opportunities Register and Issues Register.

Based on the horizon scan and organisational SWOT analysis, the emergent opportunities are identified and captured in the Risk and Opportunities Register. The Executive Team reviews the Opportunity Register in the autumn of each year and prepares and prioritises projects that may exploit the opportunities, subject to resources being available. This will also inform any options analysis, which then drives the budgeting forecast the following year.

This process involves assessing the most significant individual risks on the basis of the likelihood of it occurring, and what the impact to the organisation would be should the risk occur and considering ways of avoiding the risk(s) or mitigating its effect. Each area of risk has been assessed by providing a score to both the impact and the probability of each risk and using these to calculate

the overall severity in the event of mitigation not proving successful, the Gross Risk. With the identification and anticipated implementation of suitable controls and monitoring actions, a judgement is then made as to what extent the Gross Risk is reduced or increased, thereby reflecting what the Net Risk is. A key output of the noted formal review of the Risk Management Framework included the inclusion of a Current risk rating for each risk, demonstrating the current effectiveness of the controls and monitoring action and the level of progress in working towards the anticipated Net rating.

### Role of the Board

The Trustees assessed the major risks to which the Engineering Council was exposed in accordance with Charity Commission guidance and were satisfied that systems were in place to mitigate the Engineering Council's exposure to major risks.

The organisation's Risk and Opportunity Management Policy & Procedure contains the following key principles that outline the Engineering Council's approach to risk management:

- a. As the EngC's principal body, the Board is responsible for risk management;
- b. The Board is responsible for maintaining a sound system of internal control that supports the achievement of policies, aims and objectives while safeguarding the public and other funds and assets for which it is responsible in accordance with its Charter and By-laws;
- c. There should be an open and receptive approach to mitigating risk;
- d. The Management Panel (MP) manages the EngC's Risk and Opportunity Management Process.
- e. The Finance, Audit & Remuneration Panel (FARP) advises the Board on risk assurance.
- f. The Trustee Risk Register is reported to the Board via MP.
- g. The CEO and Executive Team, with input from the volunteer committees and panels where relevant, are responsible for encouraging and implementing good risk management practice across the organisation, in particular the identification, evaluation and management of risk.
- h. Mechanisms will be put in place and monitored to alert the Board so that remedial action can be taken to manage any potential hazards.

The Policy & Procedure includes consideration of the organisation's **Risk Appetite** i.e., the level of risk that EngC is prepared to accept in pursuit of its strategic objectives. This Statement informs the EngC's strategy and business planning processes and is reviewed annually by the Board. It sets the context for managing risk and forms an integral part of this policy. The Risk Appetite Statement will also form the basis of delegated levels of authority for decisions including at subordinate panels and committees.

In terms of its willingness to accept certain types of risk, the EngC's approach is to minimise exposure to reputational, compliance and financial risk, whilst accepting that a certain level of risk must be taken to achieve its strategic objectives. Acceptance of risk is subject to ensuring that risks and potential benefits are fully considered and understood before activities are undertaken and that sensible measures are in place to mitigate risk.

As of 31 December 2025, there were **six HIGH** and two **MEDIUM current risks** on the Trustee Risk Register.

The **HIGH** Net Risks are as follows:

**1. Risk of international Partners losing confidence in quality of UK registration and UK engineering programmes**

**MITIGATION:**

- Continued focus on strengthening relations within the European Higher Education Area (EHEA), including visibility of UK programmes in the European Engineering Education database (EEED), promotion of EUR ING and EUR-ACE labels.
- Working to maintain the acceptability of alternative routes to international engineering registers.
- Promotion of Publicly Available Standard (PAS) 525 and a focus on experiential learning as a key component of competence development.
- Working with overseas regulators bilaterally.

**2. Risk that registrant recruitment, retention & demographics will/is resulting in loss of registrants and decreasing income to both EngC and EngUK.**

**MITIGATION:**

- Increase both the awareness and integrity of the Register via both the Registration Review and 2030 Strategy.
- Increased engagement with key stakeholders inc. EngineeringUK.

**3. Risk that reviews of the profession or competing regulatory drivers will result in the EngC's regulatory function and its registers being removed or developed by an alternative body.**

**MITIGATION:**

- Maintain close working relations with relevant government departments [currently Department for Business and Trade; Ministry of Housing, Communities and Local Government]
- A review of the EngC regulatory function

**4. Risk of a formal challenge from a third-party organisation to a decision made by the Board or its delegated Committees resulting in legal action (including costs).**

**MITIGATION:**

- The Licensing function monitors conformity and consistency of practice across PEIs (licence reviews, annual risk assessments, Liaison Officer monitoring).
- Cross attendance of RSC / QAC meetings by both staff and volunteers to ensure a cohesive approach to the development / maintaining of regulations and guidance, and their interpretation in terms of ensuring conformity.
- Advice continues to be available from external legal advisors.

**5. Risk of increased non-conformity at Licensed PEIs responsible for the majority of the Register resulting from turnover of key staff positions.**

**MITIGATION:**

- Dialogue is underway at all affected Licensed PEIs in terms of timescales (e.g. both for those departing and incoming) to ensure an effective handover of EngC duties.
- When new staff are in place, Licensing team to ensure a series of induction meetings are scheduled.

- Additional risk areas will be proposed for each Licensed PEI's Review Panel to approve.

**6. Risk of a diminishing pipeline of competent technician registrants as a result of an increasing number of relevant programmes of learning not benefitting from recognition under the Accreditation and Approval of Qualifications and Apprenticeships (AAQA).**

**MITIGATION:**

- There is ongoing dialogue with a Licensed PEI following their notification to suspend the AAQA aspect of their licence for 18 months whilst they conduct an internal review to determine next steps in this area.
- A centralised approach, facilitated by EngC, is in the early stages of consideration and has been supported in principle by the Education and Skills Advisory Panel (ESAP) and the Programme Recognition Forum (PRF). Such an approach would likely result in a EngC panel / committee that could review the Quality Assurance arrangements of the Awarding Organisation, including how it sets and marks assessments, how it assures the delivery providers etc, on behalf of all PEIs, with the PEIs then nominating subject matter experts to undertake content mapping for the purposes of approval.

The **MEDIUM** Net Risks are as follows:

**1. Risk of IT security due to attack by virus or hacker, or systems failure, or staff/volunteer unintentional breach resulting in corruption or deletion of electronic data.**

**MITIGATION:**

- Keeping IT suppliers reviewed and managed with professional advice.
- Firewall audit undertaken. Clean rule book established on virtual servers.
- Third-party virus screening of e-mails provided by Microsoft.
- Appropriate backup procedures and software reinstallation procedures implemented.
- Staff/volunteer awareness regarding spoofing emails etc.

**2. Risk that a major PEI withdraws from the Engineering Council.**

**MITIGATION:**

- Maintain good working relations with all related organisations.

### **Internal and external auditing**

The Quality Management System (QMS) is now embedded within the Engineering Council's Operational Framework and a robust internal audit schedule is in place. This plan is created and revised by the internal Quality Management Team (QMT), which also manages the internal audit team. In addition, QMT monitors the internal audit process, reviews internal audit reports and follows up on both ISO9001 and internal audit non-conformances and root cause analysis. All findings are recorded in the Internal Audit Log as requested by the Executive Team. The Engineering Council was successfully recertified against the ISO 9001:2015 quality management standard in January 2026.

## 5. Financial review

The areas of activity funded during 2025 are set out in section 3 - **2025 Activities and Achievements**. A detailed breakdown of expenditure for the year appears in notes 7-13 to the Financial Statements. FARP regularly scrutinises the organisation's expenditure to ensure that the work of the Engineering Council remains cost-effective.

In summary, in 2025 the Engineering Council reported income of £3,510,321 (2024 - £3,335,823), expenditure of £3,662,940 (2024 - £3,635,074) and net movement in funds before other recognised (losses)/gains (net expenditure after gains on investments) of £28,601 (2024 – net movement of £-197,878). After recognised gains/(losses), the Engineering Council reported a profit in 2025 of £189,601 (2024 – loss of £69,878).

The inclusion of the Engineering Council Pension Scheme under FRS102 has reduced staff costs by £141,000 (2024 - £136,000), increased direct costs by £302,000 (2024 - £264,000) and resulted in an actuarial gain on the scheme of £51,000 (2024 £232,000). The overall effect of applying FRS102 is thus to increase income for the year by £161,000 (2024 – £128,000) and to decrease the net movement in funds by £110,000 (2024 £104,000).

### Engineering Council Pension Scheme

The Trustees of the Engineering Council Pension Scheme met three times during 2025. The Engineering Council, as the Principal Employer, made contribution towards scheme running costs of £141,000, as opposed to £136,000 made in 2024. This change resulted from the triennial valuation, at 31 December 2018, which showed a past service surplus of £327K compared to the deficit disclosed by the 2015 valuation of £1.2M. The principal factors affecting the change in the deficit were the deficit reduction contributions made by the Employer and the value placed on the liabilities, which was lower than in the previous year due mainly to the increase in the corporate bond yield.

Following the triennial valuation at 31 December 2021, when the Scheme reported a surplus on a technical provisions' basis of £988K, the Trustees and the Employer agreed that an annual contribution towards the Scheme running costs will continue to be made until the next triennial valuation which is due at 31 December 2024. Results of the latest triennial valuation are currently being finalised.

### Reserves

In 2025 the Engineering Council held funds of £3,461,126 (£3,271,525 – 2024) as follows:

#### Unrestricted general funds

The Engineering Council's policy is to maintain a level of unrestricted reserves, in accordance with accepted good practice, of a minimum of six months of operating budget. In 2025 six months operating budget was £1.71M (£1.62M – 2024). In calculating the level of reserves it should hold, the FARP also reviewed the key financial risks to the organisation and identified changes to funding mechanism and/or a shortfall in the annual operating grant, which could result in a lack of funds for Engineering Council operations. Consequently, a minimum reserve of six months operating budget was deemed appropriate.

Disregarding the tangible fixed assets for reserves policy purposes, the charity's general fund was £3,447,024 (2024 - £3,220,969); a figure not materially different from twelve months' expenditure.

At its October 2025 meeting FARP agreed the principle of utilising reserves in excess of six months' operating costs to fund projects that supported the organisation's strategic plan, but only on condition that a minimum of six months' operating costs be retained at all times.

### Restricted funds

The pension reserve was £nil at the year end with the pension grant received in year again being equivalent to the current year recovery plan contributions of £141k (£136k – 2024).

The general fund, as shown in the financial statements, includes an unrecognised surplus of £0.805M (2024 surplus - £0.915M), due to an excess of assets over liabilities in the scheme this year. The figure as calculated under FRS102 is in respect of the defined benefit scheme.

This amount is not recognised within the Engineering Council's financial statements as the organisation has no rights over the Scheme's assets. The Trustees believe that this notional funding calculation, which can vary considerably according to the assumptions made at each year-end, has no material effect on the organisation's cash flow in the short term, and that in the long term its effects can be sustained from future income.

The majority of the reserves are held in investments, with the remainder held in cash.

### Investment Policy and Returns

The Engineering Council's reserves have been held in the Cazenove Charity Sustainable Multi-Asset Fund since May 2022.

FARP reviews the fund performance at each of its meetings and the fund manager attends FARP at least once a year to discuss fund performance. Cazenove fund managers attended FARP in October 2025 to report on its performance, positioning and outlook for the remainder of 2025 and beyond.

Cazenove also reports on their sustainability responsibilities and on their Climate Transition Action Plan which commits:

- Intention for 100% of their discretionary assets to become net zero by 2050, or sooner
- To use its influence to encourage companies and managers they invest in to also commit to net zero
- To allocate its capital to climate solutions

Cazenove have also recently adopted the "Sustainability Focus" label under FCA Sustainability Disclosure Requirements regime. Under the label regime Cazenove commit to having a minimum of 70% of the Fund's investments in assets that:

- Benefit Stakeholders by making a positive contribution to people and the planet
- Contribute to Solutions by helping to advance one or more of the UN Sustainable Development Goals
- Avoid Harm by 100% of investments not conflicting with the Fund's sustainability objective.

Investing in this Sustainable Multi-Asset Fund provides a secondary charitable benefit to the public and supports Engineering Council's commitment to Sustainability.

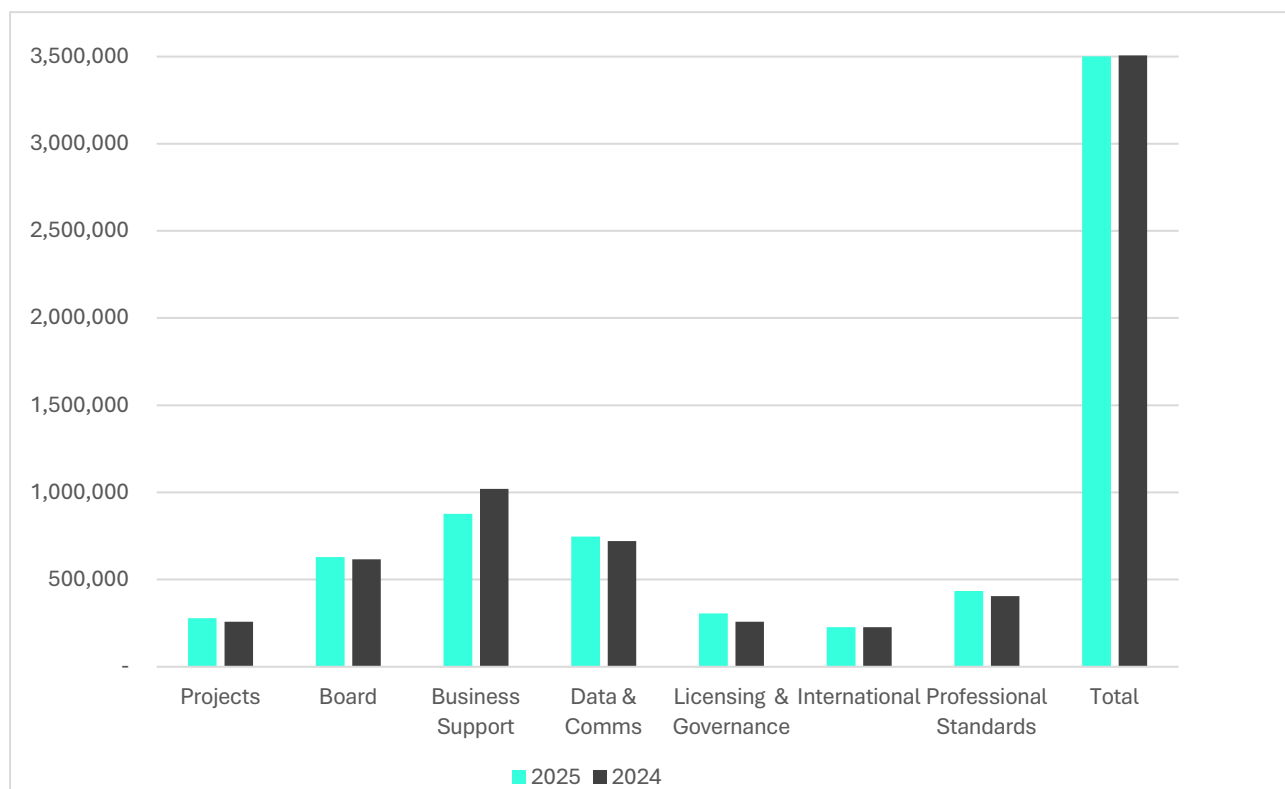
Additionally, Engineering Council's defined contribution pension scheme, as managed by Scottish Widows, is heavily incorporating responsible investment into its default fund and is aiming to halve

its carbon footprint on its investment portfolios by 2030 and achieve net zero across all investments by 2050, another example of secondary charitable benefit.

## Expenditure on charitable activities

The following graph sets out the amounts spent on key areas of activity in 2025 and 2024.

**FIGURE 12: 2025 & 2024 EXPENDITURE**



## 6. Public benefit

The Board of Trustees is mindful of its responsibility to ensure that the Engineering Council, as a charity, acts for the benefit of the public.

As set out above, our Charitable Object is to advance education in, and to promote the science and practice of, engineering for the public benefit and thereby to promote industry and commerce. The primary public benefit of our regulatory activity is trustworthy engineering practice that keeps people safe and supports responsible social and economic development.

Trustees always ensure that the activities undertaken by the Engineering Council are in line with its charitable objectives and believe that they have complied with their duty in accordance with the Charities Act 2011 section 17 to follow the Charity Commission’s guidance on the operation of this public benefit.

## 7. How we operate

### How we are governed

The Engineering Council, whose registered office is 5<sup>th</sup> Floor, 10 Lower Thames St, London EC3R 6EN was incorporated by Royal Charter on 27 November 1981 and is a registered charity, No. 286142, whose objects are:

*To advance education in, and to promote the science and practice of, engineering (including relevant technology) for the public benefit and thereby to promote industry and commerce in Our United Kingdom and elsewhere.*

### How we are funded

The Engineering Council's principal source of funding is the annual registration fees of individual registered engineers and technicians. The fees are collected by the professional engineering institutions and remitted to EngineeringUK, from which a grant is made to the Engineering Council.

This operating grant is used to cover the cost of carrying out regulatory activities, which include maintenance of standards; licensing of professional engineering institutions as Licensees and Professional Affiliates; international representation in Engineers Europe and the International Engineering Alliance; operation of the engineering profession's national Register; and support for the promotion of registration by professional engineering institutions.

The annual registration fees from Engineering Technicians, Incorporated Engineers, Chartered Engineers and ICT Technicians support the work of the Engineering Council and EngineeringUK.

The Engineering Council does not engage any external fundraisers nor raises funds from the general public and as such no complaints have been received in this respect.

### The Board of Trustees

The Engineering Council is governed by a 22-member Board of Trustees, which is appointed in accordance with the Engineering Council's Bye-laws. Twelve of the members are appointed by the major professional engineering institutions, three by the smaller institutions and the remaining seven by EngineeringUK. The composition of the Board provides stakeholder representation through institution-nominated members, and the involvement of the wider profession through EngineeringUK nominees.

The Board met on four occasions in 2025 (March, June, September and November) with the meetings chaired by Professor John Chudley BSc PhD CEng FIMarEST.

The Board appoints the Chief Executive Officer, who is in turn responsible for staffing within parameters established by the Board.

The constitution and membership of the Board is published on the Engineering Council website ([www.engc.org.uk](http://www.engc.org.uk)). A Partner Portal requiring a password (<https://partner.engc.org.uk>) is available to stakeholders, primarily Licensed PEIs, Professional Affiliates, Engineering Council Trustees, and volunteer members of the Engineering Council's Committee and Panels, as well as Engineering Council staff.

The Charter and Bye-laws, Regulations and Terms of Reference of the Board's Committees and Panels are published on the Partner Portal together with other information including agendas, minutes and papers and proceedings of the Board, Committees and Panels.

Within three months of joining the Board, Trustees are given an induction by the Executive Team, which is based on best practice for the appointment of Charity Trustees. Further trustee training, including GDPR training, is undertaken as appropriate.

The following table presents changes to Board members during 2025.

	Nominated by	Board Member	Term of Office ended	Term of Office started
1	BCS, The Chartered Institute for IT	EURING Alastair Revell BSC(Hons) CEng CITPFCBS FRSA FIAP		
2	Chartered Institution of Building Services Engineers	Mr Andrew Rowe BEng (Hons) CEng MCIBSE MSLI MIWFM		
3	Institution of Chemical Engineers	Dr Rob Best CEng FICHEM	June 2025	
3	Institution of Chemical Engineers	Prof. Stephen Richardson CBE BSc(Eng) PhD CEng CSci FHEA FCGI FICHEM FEng		June 2025
4	Institution of Civil Engineers	Mrs Emer Murnaghan OBE BEng CEng MICE CEnv MIW FIEI		
5	Institution of Engineering & Technology	Mr James Baker* CEng FIET		
6	Institution of Engineering & Technology	Ms Margaret Graham CEng Hon FIET		
7	Institute of Marine Engineering, Science & Technology	Prof John Chudley BSc PhD CEng FIMarEST- Chair		
8	Institute of Materials, Minerals and Mining	Mr Jim Shields CEng CSci FIMMM CGeol FGS FICE FIQ		
9	Institution of Mechanical Engineers	Mr Mike McLoughlin** CEng FIMechE FIET		
10	Royal Aeronautical Society	Mr Martin Penn CEng FRAeS		
11	Society of Operations Engineers	Prof. Steve Burnage CEng CEnv FIMechE FSOE IMAAEEES	June 2025	
11	Society of Operations Engineers	Mr Garry Gilby Major (Rtd) MBA IEng CEnv FSOE FIPlantE MIET		June 2025
12	Institution of Structural Engineers	Mr Phil Nelson** CEng FIStructE		
13	Group B Institutions	EURING Simon Vaitkevicius CEng FIED		
14	Group B Institutions	Mr Neil Phelps** IEng MIED		
15	Group C Institutions	Mr Tony Gibson CEng MNUCL MIET MAPM MINCOSE	June 2025	
15	Group C Institutions	Dr Siu Man Lee BEng(Hon) PhD CEng MIET MIPEM		June 2025
16	EngineeringUK	Mr David Short CEng FRAeS FIET	June 2025	
16	EngineeringUK	Prof. Kay Bond BEng(Hons) PhD PGCFHE CEng MIMechE FIED MIET		June 2025
17	EngineeringUK	Vacancy in 2025		

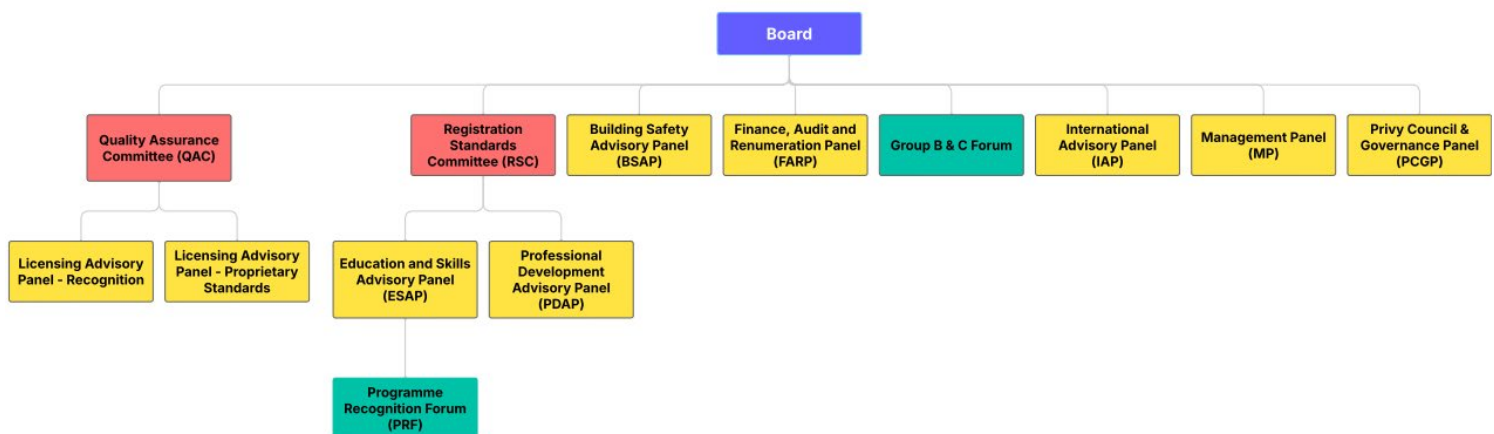
18	EngineeringUK	Mr Matt Gantley	June 2025	
18	EngineeringUK	Ms Caroline Hamilton MBE CEng MIMechE		June 2025
19	EngineeringUK	Ms Estelle Clark CQP FCQI	June 2025	
19	EngineeringUK	Ms Amanda Hill		June 2025
20	EngineeringUK	Mrs Josephine Parker MBE CEng FCIWEM FICE FIWater	June 2025	
20	EngineeringUK	Vacancy in 2025		
21	EngineeringUK	Ms Emma Crichton MEng CEng MICE		
22	EngineeringUK	Ms Ann Francke OBE CMgr CCMI	July 2025	
22	EngineeringUK	Vacancy in 2025		

\*Second term extended by three years in accordance with Regulation 6B.6 as a non-voting Board Member at EngC Board Meeting 28 March 2024

\*\* Second term extended by one year in accordance with Reg 5A. 2 at EngC Board Meeting 28 March 2024.

## Committees and Panels

The Board operates through the two principal Committees and a number of Advisory Panels that have been established to ensure the Board remains informed on key areas by appropriate experts, as well as to widen stakeholder engagement and increase diversity. Committee Chairs are members of the Board whereas Advisory Panel Chairs may be Board members but are not required to be so. Other Committee and Panel members are nominated by the Licensees, or relevant stakeholder groups.



The **Registration Standards Committee (RSC)** is responsible for maintaining the standards of competence and commitment and maintaining the underpinning knowledge and understanding requirements for professional registration. This includes publishing, and keeping under review, the Regulations for Registration, the UK Standard for Professional Engineering Competence (UK-SPEC) and the recognised standards derived from it including the UK Standard for Professional Engineering Competence – Higher-Risk Buildings (UK-SPEC HRB) and the ICT Technician Standard;

and the standards for the recognition of engineering education programmes, qualifications and apprenticeships. RSC also publishes and keeps under review practice guidance for professionals on matters such as ethics, safety, security, risk management, sustainability and whistleblowing. RSC comprises nominees from professional engineering institutions, including from academia and industry, and supported by Advisory Panels comprising experts from a diverse range of stakeholder organisations. The committee met three times in 2025.

The **Quality Assurance Committee (QAC)** is responsible for licensing Professional Engineering Institutions that are considered competent to assess candidates for professional registration, accredit academic programmes, and approve professional development schemes. This involves a periodic review of the institutions' registration process, reviewing and making appropriate changes to licensing policies and processes, and encouraging information exchange between institutions, while maintaining an overview of licence related issues. It also approves suitable bodies as Professional Affiliates. QAC comprises members nominated by the Licensees who are registrants and of suitable standing and experience. The QAC has also established two licensing advisory panels to provide advice on issues concerning recognition, and also Proprietary Standards. The QAC met four times in 2025.

The **International Advisory Panel (IAP)** is responsible for advising on matters that have an impact on the global recognition of Engineering Council standards and the international mobility of engineering professionals. This involves advising on the international promotion of the national Register, updating the Board on relevant international developments, guiding the Engineering Council's international activity and identifying suitable representatives of the UK engineering profession to join international committees. IAP acts as the National Monitoring Committee for Engineers Europe (previously FEANI) registration purposes and as the responsible Committee for the UK section of International Registers. IAP also promotes the flow of communications between the Engineering Council and the Licensees on international matters. IAP comprises nominees from Licensees, including from academia and industry, with international experience and expert knowledge of mobility issues affecting professional engineers and technicians. The Panel met three times in 2025.

The **Finance, Audit and Remuneration Panel (FARP)** has responsibility for keeping the financial management of the Engineering Council under review. Through the delegated authority of the Board, it approves variations to expenditure and investment policy within established limits. The Panel advises the Board and CEO on financial services; monthly management accounts; remuneration; staff pensions; subscription and fees policies; the annual budget, report and accounts; risk assessment policy; audit reports and delegated financial authorities. In addition to the Chair, FARP comprises two current trustees and three other members with relevant knowledge and experience. The Panel met three times in 2025.

The **Privy Council and Governance Panel (PCGP)** is responsible for the periodic review of the Charter, Bye-laws and Regulations of the Engineering Council, and making proposals for change to the Board. The Panel also advises the Board on its response to requests for advice from the Privy Council Office and other government departments on matters concerning the constitution of relevant institutions. PCGP provides advice to professional engineering institutions on constitution, governance, and disciplinary procedures. This involves publishing and reviewing guidance on disciplinary procedures, and consulting with Licensed Professional Engineering Institutions on significant proposed changes to policies or procedures. PCGP also considers representations from Licensees, registrants or members of the public concerning the conduct of institutions or registrants, and determines whether, and if so how, appeal proceedings should take place. PCGP comprises suitable nominees from the Board, together with advisors to assist in this work of the Panel. The PCGP met four times in 2025.

The **Management Panel (MP)** is responsible for day-to-day operational decision making and management of the organisation. The Panel is chaired by the CEO and comprises of the CEO, the Deputy CEO/Head of Policy & Standards, the Head of Business Support, the Head of Licensing & Governance and the Head of Data & Comms and meets approximately every four to six weeks. Its standing agenda includes IT and Management Information Systems, project management/project reporting, risk management, business planning, HR, finance, quality management and business continuity.

The **Group B and C Forum** provides a mechanism for the exchange of information and good practice with respect to membership and registration matters concerning small (Group C) and medium-sized (Group B) institutions. It also discusses pan-engineering issues of joint concern and, where appropriate, provides focus for campaigns or lobbying and the dissemination of a collective view. The Panel provides a platform for organisations and individuals to present topics of common interest, including identifying and implementing opportunities for co-operation between institutions for mutual benefit and the public good.

The **Building Safety Advisory Panel (BSAP)** was established to advise on building safety regulatory matters relevant to the competence of engineering professionals, and to build, maintain and manage Engineering Council relationships with key building safety stakeholders including government departments and the building safety regulator (BSR). The BSAP also nominates, supports, and oversees Engineering Council representatives to key stakeholder groups in the sector, and informs Engineering Council responses to external building safety policy matters. The BSAP provides expert advice on these areas to the Board, QAC, and RSC as appropriate, and may also establish forums as needed to share practice and facilitate communication with and between the Licensees. The BSAP met three times in 2025.

The **Education & Skills Advisory Panel (ESAP)** was established to provide advice relating to education and skills initiatives and core business activities as may be requested by the Engineering Council Board, its Committees, or another Advisory Panel. This may include, for example, matters arising from licensing and quality assurance activities where these require a more detailed knowledge and understanding of education and skills development, or matters impacting on engineering education and skills development for all categories of registration. The ESAP also helps to inform Engineering Council responses to external policy matters that relate to education and skills. The ESAP may also establish forums as needed to share practice and facilitate communication with and between, and indeed has established the Programme Recognition Forum (PRF) for discussion of matters related to recognition of programmes against the Engineering Council's Approval and Accreditation of Qualifications and Apprenticeships (AAQA) and Accreditation of Higher Education Programmes (AHEP) Standards. The ESAP met three times in 2025.

The **Professional Development Advisory Panel (PDAP)** was established to provide advice relating to professional development matters as requested by the Engineering Council Board, its Committees, or another Advisory Panel. In particular, the PDAP advises the Registration Standards Committee (RSC) on the development, maintenance, promotion, and implementation of the Engineering Council Standards and guidance related to professional development. Similarly, the PDAP advises the Quality Assurance Committee (QAC) on matters arising from licensing and quality assurance activities where these require a more detailed knowledge and understanding of professional development, interpretation of Engineering Council Standards and Regulations relating to recognition of Initial Professional Development (IPD) schemes, and evaluation of conformity to these Standards and Regulations. The PDAP also monitors the wider professional development landscape and identifies good practice to inform the engineering profession of any developments that would lead to a "best in class" professional development programme, and

helps inform Engineering Council responses to any external professional development policy matters. The PDAP met three times in 2025.

### Volunteer Effort

Volunteer effort, through its Board, committees, panels and working groups, continues to be crucial to the work of the Engineering Council. A conservative estimate gives the total days given freely to the Engineering Council throughout the year as approximately 1,200. Given the standing of those involved the financial equivalent would be in the order of £620,000 per annum. These figures have not significantly changed in the last year with our volunteers continuing to provide a similar level of support post the pandemic.

An in-person volunteer seminar was held on 6 June, hosted at the Institute of Physics.

### Remuneration Policy

The Engineering Council is committed to ensuring that it pays staff fairly and at an appropriate level in order to attract and retain people with the right skills and experience to ensure that the organisation delivers its charitable objectives and strategic plan.

FARP has delegated authority from the Board of Trustees to determine all matters relating to staff pay and reward. In determining staff remuneration, FARP considers factors such as the increase in cost of living and the general rate of salary increases in the market during the preceding 12 months. Bonus payments are awarded on a discretionary basis to provide staff with appropriate incentives to encourage enhanced performance and to reward them in a fair and responsible manner for their individual contributions to the success of the organisation.

### Key management personnel

#### Chief Executive Officer

Paul Bailey BSc (Hons) CMgr FCMI FRAeS MInstP

#### Head of Policy & Standards and Deputy CEO

Katy Turff BA (Hons) CMgr MCMi

#### Head of Business Support

Wanda Proctor BA (Hons) ACMA

#### Head of Licensing & Governance

Stuart Ingram BA (Hons)

#### Head of Data & Comms

David Titmas BA (Hons)

### Professional Advisors

Service	Organisation	Address
Actuaries & Pension Administrators	Cartwright Benefit Consultants Ltd.	Marlborough House, Victoria Road, Chelmsford, Essex, CM1 1LN
Auditors	HaysMac LLP	10 Queen Street Place, London EC4R 1AG
Bankers	HSBC Bank plc	165 Fleet Street, London, EC4A 2DY

Financial Accountants	Kreston Reeves LLP	2nd Floor, Maritime Place, Quayside, Chatham Maritime, Chatham, Kent, ME4 4QZ
Investment Managers	Cazenove Capital	1 London Wall Place, London, EC2Y 5AU
Lawyers	Veale Wasbrough Vizards LLP	Narrow Quay House, Narrow Quay, Bristol BS1 4QA

## 8. Statement of Trustees' responsibilities

The Trustees are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year, which provides a true and fair view of the state of affairs and the incoming resources and application of resources, of the charity for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently.
- observe the methods and principles in the Charities Statements of Recommended Practice (SORP)
- make judgments and estimates that are reasonable and prudent.
- state whether applicable accounting standards have been followed, insofar as these are appropriate to the Council, its Royal Charter and Bye-laws, subject to any material departures disclosed and explained in the financial statements.
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping proper accounting records that disclose, with reasonable accuracy at any time, the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the applicable Charity (Accounts and Reports) Regulations and the provisions of the Trust Deed. They are also responsible for safeguarding the assets of the charity and 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 charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The above Trustees' Report on pages 1-37 was approved by the Trustees on 18 June 2026 and signed on their behalf by the Chairman of the Board at the Annual General Meeting on 8 July 2026:

Professor John Chudley BSc PhD CEng FIMarEST

## 9. Independent auditor's report to the Trustees of The Engineering Council

### Opinion

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

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2025 and of the charity's net movement in funds for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

### Basis for opinion

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder. We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the 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 charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the 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. The other information comprises the information included in the Trustees' Annual Report. Our opinion on the financial statements does

not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

- adequate accounting records have not been kept by the charity; or
- sufficient accounting records have not been kept; or
- the charity financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of trustees for the financial statements**

As explained more fully in the trustees' responsibilities statement [set out on page 37], the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity 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.

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

Based on our understanding of the charity and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to Charities Act 2011 and its Royal Charter, and we considered the extent to which non-compliance might have a

material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Charities Act 2011 and the application of FRS102, income tax and payroll tax.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to application of controls around authorisation of expenditure and payments. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Review of minutes of meetings;
- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions; and
- Challenging assumptions and judgements made by management in their critical accounting estimates

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

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

### **Use of our report**

This report is made solely to the charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity's trustees as a body for our audit work, for this report, or for the opinions we have formed.

HaysMac LLP

Statutory Auditors

10 Queen Street Place

London

EC4R 1AG

HaysMac LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

# **STATEMENT OF FINANCIAL ACTIVITIES**

for the year ended 31 December 2025

The Engineering Council  
Registered Charity Number 286142



**Statement of financial activities  
for the year ended 31 December 2025**

	Note	Restricted funds 2025 £	Unrestricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
<b>Income from:</b>					
Charitable activities	4	141,090	3,254,765	3,395,855	3,237,849
Other trading activities	5	-	9,100	9,100	10,927
Investments		-	105,366	105,366	87,047
<b>Total income</b>		<b>141,090</b>	<b>3,369,231</b>	<b>3,510,321</b>	<b>3,335,823</b>
<b>Expenditure on:</b>					
Raising funds		-	3,013	3,013	3,065
Charitable activities	7	141,090	3,518,837	3,659,927	3,632,009
<b>Total expenditure</b>		<b>141,090</b>	<b>3,521,850</b>	<b>3,662,940</b>	<b>3,635,074</b>
<b>Net expenditure before net gains on investments</b>		<b>-</b>	<b>(152,619)</b>	<b>(152,619)</b>	<b>(299,251)</b>
Net gains on investments		-	181,220	181,220	101,373
<b>Net movement in funds before other recognised (losses)/gains</b>		<b>-</b>	<b>28,601</b>	<b>28,601</b>	<b>(197,878)</b>
<b>Other recognised gains/(losses):</b>					
Actuarial gains on defined benefit pension schemes		-	51,000	51,000	232,000
Derecognition of pension surplus		-	110,000	110,000	(104,000)
<b>Net movement in funds</b>		<b>-</b>	<b>189,601</b>	<b>189,601</b>	<b>(69,878)</b>
<b>Reconciliation of funds:</b>					
Total funds brought forward		-	3,271,525	3,271,525	3,341,403
Net movement in funds		-	189,601	189,601	(69,878)
<b>Total funds carried forward</b>		<b>-</b>	<b>3,461,126</b>	<b>3,461,126</b>	<b>3,271,525</b>

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 45 to 67 form part of these financial statements.

**Balance sheet  
as at 31 December 2025**

	Note	2025 £	2024 £
<b>Fixed assets</b>			
Tangible assets	14	14,102	50,556
Investments	15	2,700,169	2,429,849
		<u>2,714,271</u>	<u>2,480,405</u>
<b>Current assets</b>			
Debtors	16	95,224	65,162
Cash at bank and in hand		1,029,273	1,105,990
		<u>1,124,497</u>	<u>1,171,152</u>
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	17	(377,642)	(380,032)
		<u>746,855</u>	<u>791,120</u>
<b>Net current assets</b>			791,120
Defined benefit pension scheme asset		-	-
<b>Net assets including pension scheme liabilities</b>		<u>3,461,126</u>	<u>3,271,525</u>
<b>Charity funds</b>			
Restricted funds	18	-	-
Unrestricted funds	18	3,461,126	3,271,525
<b>Total funds</b>		<u>3,461,126</u>	<u>3,271,525</u>

The financial statements were approved and authorised for issue by the Trustee and signed on their behalf by:

**Professor John Chudley BSc PhD CEng FIMarEST**  
Chair of Trustees  
Date:

The notes on pages 45 to 67 form part of these financial statements.

**Statement of cash flows  
for the year ended 31 December 2025**

		2025 £	2024 £
<b>Cash flows from operating activities</b>			
Net cash used in operating activities	21	<b>298,969</b>	74,571
<b>Cash flows from investing activities</b>			
Dividends, interests and rents from investments		<b>(105,366)</b>	(14,910)
Purchase of tangible fixed assets		-	(26,781)
Proceeds from sale of investments		<b>5,867</b>	348,493
Purchase of investments		<b>(94,967)</b>	(433,967)
Gains on sale of investments		<b>(181,220)</b>	(101,373)
<b>Net cash used in investing activities</b>		<b>(375,686)</b>	<b>(228,538)</b>
<b>Change in cash and cash equivalents in the year</b>			
Cash and cash equivalents at the beginning of the year	22	<b>1,105,990</b>	1,259,957
<b>Cash and cash equivalents at the end of the year</b>		<b>1,029,273</b>	1,105,990

The notes on pages 45 to 67 form part of these financial statements.

## Notes to the financial statements for the year ended 31 December 2025

### 1. General information

The Engineering Council is an unincorporated charity registered with the Charity Commission, with charity number 286142. The registered office is 5th Floor, 10 Lower Thames Street, London, EC3R 6EN.

### 2. Accounting policies

#### 2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The Engineering Council 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.

The charity's functional and presentational currency is Pounds Sterling. The financial statements are rounded to the nearest Pound.

The following principal accounting policies have been applied:

#### 2.2 Going concern

The Trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

#### 2.3 Income

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

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

#### 2.4 Expenditure

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.

Charitable activities are costs incurred on the charity's operations, including support costs and costs relating to the governance of the charity, all incurred in achieving the charity's objectives.

All expenditure is inclusive of irrecoverable VAT.

## Notes to the financial statements for the year ended 31 December 2025

### 2. Accounting policies (continued)

#### 2.5 Tangible fixed assets and depreciation

Tangible fixed assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, .

Depreciation is provided on the following bases:

Fixtures and fittings	- 20% straight line
Office equipment	- 25% straight line
Computer equipment	- 33% straight line

Assets of nil book value are removed from the asset register after 10 years, irrespective of whether they exist or not. These are included in "Disposals during the year" as appropriate.

#### 2.6 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Statement of financial activities.

#### 2.7 Interest receivable

Interest on funds held on deposit is included 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 institution with whom the funds are deposited.

#### 2.8 Operating leases

Rentals paid under operating leases are charged to the Statement of financial activities on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

#### 2.9 Debtors

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

#### 2.10 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

## Notes to the financial statements for the year ended 31 December 2025

### 2. Accounting policies (continued)

#### 2.11 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of financial activities as a finance cost.

#### 2.12 Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method, and investments which are accounted for as per accounting policy 2.6.

#### 2.13 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the reporting date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Statement of financial activities.

#### 2.14 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustee in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

## **Notes to the financial statements for the year ended 31 December 2025**

### **2. Accounting policies (continued)**

#### **2.15 Pensions**

The Engineering Council contributes to a contracted-out defined benefit pension scheme, the Engineering Council Pension Scheme. This scheme was closed to new entrants on 3 July 2002. The Scheme closed to future accrual with effect from 30 April 2012.

The Engineering Council fully adopts Financial Reporting Standard 102 (FRS102) and the impact of this standard has been reflected throughout the financial statements.

In accordance with FRS102, the Statement of Financial Activities includes: the cost of benefits accruing during the year in respect of current service costs (charged against staff costs within charitable activities); the interest cost and the expected return on assets (shown as direct costs); and actuarial gains and losses (disclosed within other recognised gains and losses).

In accordance with FRS102, the balance sheet includes the surplus or deficit in the scheme. This has been estimated for the purposes of FRS102 based on the results of the funding Actuarial Valuation, adjusted for the different assumptions and taking into consideration subsequent cash flows.

Further details regarding the scheme are disclosed in note 24.

The Engineering Council also contributes to a defined contribution stakeholder pension scheme operated by Scottish Widows. Contributions are charged to the Statement of Financial Activities as they fall due.

#### **2.16 Taxation**

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

#### **2.17 Value Added Tax**

Due to the nature of the Engineering Council's income sources, almost all VAT incurred on purchases is irrecoverable. Irrecoverable VAT input charges have therefore been included in the expenditure areas to which they relate.

## Notes to the financial statements for the year ended 31 December 2025

### 3. Critical accounting estimates and areas of judgment

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

#### *Defined benefit pension scheme*

In the application of the accounting policies, Trustees are required to make judgement, estimates, and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affected current and future periods.

The charity also contributes to the Engineering Council Pension Scheme. The scheme is a defined benefit scheme in accordance with section 28 of FRS 102. Service costs, curtailments, settlement gains and losses, net financial returns and rereasurement gains and losses are included in the Statement of Financial Activities in the year to which they relate.

Changes in the assets and liabilities of the scheme in the year are disclosed and allocated as follows:

- Changes relating to current or past service costs and gains and losses on settlements and curtailments and pension finance costs arising from changes in the net of the interest costs and expected return on assets, are allocated to the relevant activity heading based on staff costs of employees within the scheme.
- Pension finance charges arising from similar changes are recognised as expenditure.
- Remeasurement gains and losses are recognised as other recognised gains and losses.

The assets, liabilities and movements in the surplus or deficit of the scheme are calculated by qualified independent actuaries as an update to the latest full actuarial valuation.

Details of the scheme assets and liabilities and major assumptions are shown in note 24.

#### *Tangible fixed assets*

The useful economic lives of tangible fixed assets are based on management's judgement and experience. When management identifies that accrual useful economic lives differ materially from the estimates used to calculate depreciation, that charge is adjusted retrospectively. Although tangible fixed assets are significant, variances between actual and estimated useful economic lives will not have a material impact on the operating results. Historically, no changes have been required.

In the view of the trustees, no assumptions concerning the future or estimation uncertainty affecting assets or liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

**Notes to the financial statements  
for the year ended 31 December 2025**

**4. Income from charitable activities**

	<b>Restricted funds 2025 £</b>	<b>Unrestricted funds 2025 £</b>	<b>Total funds 2025 £</b>
Grants	141,090	3,100,073	<b>3,241,163</b>
International income	-	95,810	<b>95,810</b>
Miscellaneous income	-	183	<b>183</b>
Admin fee	-	400	<b>400</b>
Professional services	-	13,000	<b>13,000</b>
MCP license fees	-	45,300	<b>45,300</b>
	<u>141,090</u>	<u>3,254,766</u>	<u><b>3,395,856</b></u>
 Prior year - 2024			
	<i>Restricted funds 2024 £</i>	<i>Unrestricted funds 2024 £</i>	<i>Total funds 2024 £</i>
Grants	136,187	2,952,451	3,088,638
International income	-	92,711	92,711
Admin fee	-	12,000	12,000
Professional services	-	13,500	13,500
MCP license fees	-	31,000	31,000
	<u>136,187</u>	<u>3,101,662</u>	<u>3,237,849</u>

**Notes to the financial statements  
for the year ended 31 December 2025**

**5. Other trading activities**

	<b>Unrestricted funds 2025 £</b>	<b>Total funds 2025 £</b>
Trading income	9,100	<b>9,100</b>
Stamp purchases	(3,013)	<b>(3,013)</b>
	<u>6,087</u>	<u><b>6,087</b></u>
 Prior year - 2024		
	<i>Unrestricted funds 2024 £</i>	<i>Total funds 2024 £</i>
Trading income	10,927	10,927
Stamp purchases	(3,065)	(3,065)
	<u>7,862</u>	<u>7,862</u>

Trading income comprises professional stamps and replacement registration certificates.

**Notes to the financial statements  
for the year ended 31 December 2025**

**6. Investment income**

	<b>Unrestricted funds 2025 £</b>	<b>Total funds 2025 £</b>
Interest from fixed asset investments	94,967	<b>94,967</b>
Bank interest receivable	10,399	<b>10,399</b>
	<u>105,366</u>	<u><b>105,366</b></u>

Prior year - 2024

	<i>Unrestricted funds 2024 £</i>	<i>Total funds 2024 £</i>
Interest from fixed asset investments	72,458	72,458
Bank interest receivable	14,589	14,589
	<u>87,047</u>	<u>87,047</u>

**7. Analysis of expenditure by activities**

	<b>Activities undertaken directly 2025 £</b>	<b>Support costs 2025 £</b>	<b>Total funds 2025 £</b>
Charitable activities	3,385,559	274,368	<b>3,659,927</b>

Prior year - 2024

	<i>Activities undertaken directly 2024 £</i>	<i>Support costs 2024 £</i>	<i>Total funds 2024 £</i>
Charitable activities	3,228,270	403,739	3,632,009

**Notes to the financial statements  
for the year ended 31 December 2025**

**8. Direct costs**

	<b>Restricted funds 2025 £</b>	<b>Unrestricted funds 2025 £</b>	<b>Total funds 2025 £</b>
Project spend	-	250,162	<b>250,162</b>
Recruitment and temporary staff	-	17,278	<b>17,278</b>
Training	-	26,333	<b>26,333</b>
Computer and information systems costs	-	209,329	<b>209,329</b>
Marketing	-	13,200	<b>13,200</b>
Travel and subsistence	-	68,689	<b>68,689</b>
Subscriptions and meetings	-	107,841	<b>107,841</b>
Accommodation costs	-	256,064	<b>256,064</b>
Wages and salaries (note 11)	141,090	2,266,882	<b>2,407,972</b>
Project spend wages and salaries (note 11)	-	28,691	<b>28,691</b>
	<u>141,090</u>	<u>3,244,469</u>	<u><b>3,385,559</b></u>

Prior year - 2024

	<i>Restricted funds 2024 £</i>	<i>Unrestricted funds 2024 £</i>	<i>Total funds 2024 £</i>
Pension expense (note 12)	-	264,000	264,000
Project spend	-	225,958	225,958
Recruitment and temporary staff	-	49,098	49,098
Training	-	29,209	29,209
Computer and information systems costs	-	192,256	192,256
Marketing	-	5,881	5,881
Travel and subsistence	-	84,892	84,892
Subscriptions and meetings	-	111,540	111,540
Accommodation costs	-	318,026	318,026
Wages and salaries (note 11)	136,187	1,762,281	1,898,468
Project spend wages and salaries (note 11)	-	48,942	48,942
	<u>136,187</u>	<u>3,092,083</u>	<u>3,228,270</u>

**Notes to the financial statements  
for the year ended 31 December 2025**

**9. Support costs**

	<b>Unrestricted funds 2025 £</b>	<b>Total funds 2025 £</b>
<b>General support</b>		
Telephone	12,469	<b>12,469</b>
Printing, stationery and office supplies	52,868	<b>52,868</b>
Maintenance of equipment	(37,400)	<b>(37,400)</b>
Sundries	5,117	<b>5,117</b>
Rental of office equipment	8,419	<b>8,419</b>
Bank charges	11,912	<b>11,912</b>
Accountancy	4,200	<b>4,200</b>
Legal and professional	33,095	<b>33,095</b>
Insurance	62,043	<b>62,043</b>
Application fees	32,214	<b>32,214</b>
Depreciation	36,454	<b>36,454</b>
	<hr/>	<hr/>
<b>Governance</b>	<b>221,391</b>	<b>221,391</b>
Accountancy	27,317	<b>27,317</b>
Auditors' remuneration	25,660	<b>25,660</b>
	<hr/>	<hr/>
	<b>274,368</b>	<b>274,368</b>
	<hr/> <hr/>	<hr/> <hr/>

Support costs are allocated in full to the only charitable activity of the charity.

**Notes to the financial statements  
for the year ended 31 December 2025**

Prior year - 2024

	<i>Unrestricted funds 2024 £</i>	<i>Total funds 2024 £</i>
<b>General support</b>		
Telephone	10,646	10,646
Printing, stationery and office supplies	55,334	55,334
Maintenance of equipment	27,858	27,858
Sundries	5,598	5,598
Rental of office equipment	8,265	8,265
Bank charges	11,402	11,402
Accountancy	3,975	3,975
Legal and professional fees	72,650	72,650
Insurance	61,297	61,297
Application fees	28,206	28,206
Depreciation	59,477	59,477
Exchange rate variance	17	17
	<hr/> 344,725	<hr/> 344,725
<b>Governance</b>		
Accountancy	26,731	26,731
Auditors' remuneration	32,283	32,283
	<hr/> 403,739	<hr/> 403,739

**10. Auditor's remuneration**

	<b>2025 £</b>	<b>2024 £</b>
Fees payable to the charity's auditor for the audit of the charity's annual accounts - excluding VAT	<b>21,383</b>	<b>19,600</b>

## Notes to the financial statements for the year ended 31 December 2025

### 11. Staff costs

	2025 £	2024 £
Wages and salaries	1,668,122	1,558,653
Social security costs	214,308	172,879
Contribution to defined contribution pension schemes	554,233	479,878
	<u>2,436,663</u>	<u>2,211,410</u>

Included within staff costs is £28,691, which relates to project costs (2024: £48,942).

There were no ex-gratia termination payments included within wages and salaries during the year. (2024: £Nil).

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

	2025 No.	2024 No.
	<u>32</u>	<u>31</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2025 No.	2024 No.
In the band £60,001 - £70,000	3	2
In the band £70,001 - £80,000	2	1
In the band £100,001 - £110,000	1	1
In the band £150,001 - £160,000	-	1
In the band £160,001 - £170,000	1	-

The total employment benefits of the key management personnel were £597,852 including employer's national insurance contributions of £60,204 (2024 - £569,892 including employer's national insurance contributions of £49,861).

### 12. Pension expense

	2025 £	2024 £
Interest on pension scheme liabilities	449,000	420,000
Interest on scheme assets	(449,000)	(420,000)
Administrative expenses	302,000	264,000
	<u>302,000</u>	<u>264,000</u>

**Notes to the financial statements  
for the year ended 31 December 2025**

**13. Trustee's remuneration and expenses**

During the year, no Trustees received any remuneration or other benefits (2024 - £NIL).

During the year ended 31 December 2025, expenses totalling £13,787 were reimbursed or paid directly to 14 Trustees (2024 - £10,241 to 14 Trustees) for travel expenses incurred.

**14. Tangible fixed assets**

	Fixtures and fittings £	Office equipment £	Computer equipment £	Total £
<b>Cost or valuation</b>				
At 1 January 2025	444,399	33,341	350,338	828,078
At 31 December 2025	<u>444,399</u>	<u>33,341</u>	<u>350,338</u>	<u>828,078</u>
<b>Depreciation</b>				
At 1 January 2025	419,955	33,341	324,226	777,522
Charge for the year	24,444	-	12,010	36,454
At 31 December 2025	<u>444,399</u>	<u>33,341</u>	<u>336,236</u>	<u>813,976</u>
<b>Net book value</b>				
At 31 December 2025	<u>-</u>	<u>-</u>	<u>14,102</u>	<u>14,102</u>
At 31 December 2024	<u>24,444</u>	<u>-</u>	<u>26,112</u>	<u>50,556</u>

**Notes to the financial statements  
for the year ended 31 December 2025**

**15. Fixed asset investments**

	<b>Listed investments £</b>
<b>Cost or valuation</b>	
At 1 January 2025	2,429,849
Additions	94,967
Disposals	(5,867)
Revaluations	181,220
	<hr/>
At 31 December 2025	2,700,169
	<hr/> <hr/>
<b>Net book value</b>	
At 31 December 2025	2,700,169
	<hr/>
<i>At 31 December 2024</i>	2,429,849
	<hr/> <hr/>

**16. Debtors**

	<b>2025 £</b>	<b>2024 £</b>
<b>Due within one year</b>		
Trade debtors	1,270	1,691
Amounts owed by group undertakings	-	4,627
Other debtors	1,940	3,323
Prepayments and accrued income	92,014	55,521
	<hr/>	<hr/>
	95,224	65,162
	<hr/> <hr/>	<hr/> <hr/>

**17. Creditors: Amounts falling due within one year**

	<b>2025 £</b>	<b>2024 £</b>
Trade creditors	42,069	45,706
Amounts owed to group undertakings	882	-
Other taxation and social security	82,137	76,939
Other creditors	6,850	-
Accruals	245,704	257,387
	<hr/>	<hr/>
	377,642	380,032
	<hr/> <hr/>	<hr/> <hr/>

**Notes to the financial statements  
for the year ended 31 December 2025**

**18. Statement of funds**

**Statement of funds - current year**

	<b>Balance at 1 January 2025 £</b>	<b>Income £</b>	<b>Expenditure £</b>	<b>Gains/ (Losses) £</b>	<b>Balance at 31 December 2025 £</b>
<b>Unrestricted funds</b>					
General Funds	<u>3,271,525</u>	<u>3,369,231</u>	<u>(3,521,850)</u>	<u>342,220</u>	<u>3,461,126</u>
<b>Restricted funds</b>					
Pension fund grant	<u>-</u>	<u>141,090</u>	<u>(141,090)</u>	<u>-</u>	<u>-</u>
<b>Total of funds</b>	<b><u><u>3,271,525</u></u></b>	<b><u><u>3,510,321</u></u></b>	<b><u><u>(3,662,940)</u></u></b>	<b><u><u>342,220</u></u></b>	<b><u><u>3,461,126</u></u></b>

**Pension fund grant**

This represents the grant from EngineeringUK which was paid into the defined benefit pension scheme as a lump-sum contribution following consultation with the actuaries.

**Notes to the financial statements  
for the year ended 31 December 2025**

**18. Statement of funds (continued)**

**Statement of funds - prior year**

	<i>Balance at 1 January 2024 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 December 2024 £</i>
<b>Unrestricted funds</b>					
General Funds	3,341,403	3,199,636	(3,498,887)	229,373	3,271,525
<b>Restricted funds</b>					
Pension fund grant	-	136,187	(136,187)	-	-
<b>Total of funds</b>	<u>3,341,403</u>	<u>3,335,823</u>	<u>(3,635,074)</u>	<u>229,373</u>	<u>3,271,525</u>

**19. Summary of funds**

**Summary of funds - current year**

	<b>Balance at 1 January 2025 £</b>	<b>Income £</b>	<b>Expenditure £</b>	<b>Gains/ (Losses) £</b>	<b>Balance at 31 December 2025 £</b>
General funds	3,271,525	3,369,231	(3,521,850)	342,220	3,461,126
Restricted funds	-	141,090	(141,090)	-	-
	<u>3,271,525</u>	<u>3,510,321</u>	<u>(3,662,940)</u>	<u>342,220</u>	<u>3,461,126</u>

**Summary of funds - prior year**

	<i>Balance at 1 January 2024 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 December 2024 £</i>
General funds	3,341,403	3,199,636	(3,498,887)	229,373	3,271,525
Restricted funds	-	136,187	(136,187)	-	-
	<u>3,341,403</u>	<u>3,335,823</u>	<u>(3,635,074)</u>	<u>229,373</u>	<u>3,271,525</u>

**Notes to the financial statements  
for the year ended 31 December 2025**

**20. Analysis of net assets between funds**

**Analysis of net assets between funds - current year**

	<b>Unrestricted funds 2025 £</b>	<b>Total funds 2025 £</b>
Tangible fixed assets	14,102	<b>14,102</b>
Fixed asset investments	2,700,169	<b>2,700,169</b>
Current assets	1,124,497	<b>1,124,497</b>
Creditors due within one year	(377,642)	<b>(377,642)</b>
<b>Total</b>	<b>3,461,126</b>	<b>3,461,126</b>

**Analysis of net assets between funds - prior year**

	<i>Unrestricted funds 2024 £</i>	<i>Total funds 2024 £</i>
Tangible fixed assets	50,556	50,556
Fixed asset investments	2,429,849	2,429,849
Current assets	1,171,152	1,171,152
Creditors due within one year	(380,032)	(380,032)
<b>Total</b>	<b>3,271,525</b>	<b>3,271,525</b>

**21. Reconciliation of net movement in funds to net cash flow from operating activities**

	<b>2025 £</b>	<b>2024 £</b>
Net (expenditure)/income for the period (as per Statement of Financial Activities)	<b>28,601</b>	<b>(197,878)</b>
<b>Adjustments for:</b>		
Depreciation charges	<b>36,454</b>	59,478
Dividends, interests and rents from investments	<b>105,366</b>	14,910
Decrease/(increase) in debtors	<b>(30,062)</b>	99,009
(Decrease)/increase in creditors	<b>(2,390)</b>	(28,947)
Pension adjustments	<b>161,000</b>	128,000
<b>Net cash provided by operating activities</b>	<b>298,969</b>	<b>74,572</b>

**Notes to the financial statements  
for the year ended 31 December 2025**

**22. Analysis of cash and cash equivalents**

	<b>2025</b> £	<b>2024</b> £
Cash in hand	<b>1,029,273</b>	<b>1,105,990</b>
<b>Total cash and cash equivalents</b>	<b><u>1,029,273</u></b>	<b><u>1,105,990</u></b>

**23. Analysis of changes in net debt**

	<b>At 1 January 2025</b> £	<b>Cash flows</b> £	<b>At 31 December 2025</b> £
Cash at bank and in hand	<b>1,105,990</b>	<b>(76,717)</b>	<b>1,029,273</b>
	<b><u>1,105,990</u></b>	<b><u>(76,717)</u></b>	<b><u>1,029,273</u></b>

## Notes to the financial statements for the year ended 31 December 2025

### 24. Pension commitments

The charity operates a defined benefit pension scheme.

The Engineering Council contributes to a contracted-out defined benefit pension scheme, The Engineering Council Pension Scheme. This scheme was closed to new entrants on 3 July 2002.

The full actuarial valuation as at 31 December 2018 was updated to the Scheme's accounting date by an independent qualified actuary in accordance with FRS102. As required by FRS102, the actuarial method adopted to calculate the present value of member's expected benefits is the projected unit method.

Following consultation with the actuaries, The Engineering Council made a lump-sum contribution of £105,000 in March 2019.

The last completed actuarial valuation was as at 31 December 2021. This showed the Scheme's assets were sufficient to cover the liabilities on the funding basis. No deficit reduction contributions are therefore required to be paid by the Company.

The present value of the liability to meet future pension obligations of members is arrived at by applying a discount rate equivalent to the return expected to be derived from a class AA corporate bond. At 31 December 2025 this was 5.60% (2024 - 5.50%).

The assets of the scheme are valued at their market value at the balance sheet date. This value will therefore fluctuate materially from year to year in response to market conditions.

The Engineering Council is the principal employer and Engineering UK is a participating employer under this scheme. The proportion of the total scheme fund attributable to Engineering Council staff and ex-Engineering Council staff is 100% (2024 - 100%). On withdrawal from the Scheme by Engineering Council or closure, assets would be segregated in a similar proportion.

The Scheme closed to future accrual with effect from 30 April 2012.

Principal actuarial assumptions at the Balance sheet date (expressed as weighted averages):

	2025	2024
Discount rate	5.60%	5.50%
Retail price inflation	3.20%	3.40%
Future salary increases	3.10%	3.30%

The assets in the scheme and the expected rates of return were:

	2025 £	2024 £
Equities	-	1,993,320
Bonds	2,584,190	7,403,760
Index Linked Gifts	4,722,830	-
Cash	1,603,980	94,920
	<b>8,911,000</b>	<b>9,492,000</b>

The actual return on scheme assets was £392,000 (2024 - £((202,000))).

### Notes to the financial statements for the year ended 31 December 2025

The amounts recognised in the Balance sheet are as follows:

	2025 £	2024 £
Present value of funded obligations	(8,106,000)	(8,577,000)
Unrecognised past service cost	8,911,000	9,492,000
	<hr/>	<hr/>
Surplus in scheme	805,000	915,000
Adjustment for non-recoverable surplus	(805,000)	(915,000)
	<hr/>	<hr/>
<b>Net assets</b>	<b>-</b>	<b>-</b>
	<hr/> <hr/>	<hr/> <hr/>

The charity has an unrecognised surplus of £805,000 (2024 - £915,000) in respect of its defined benefit pension scheme as it does not expect to recover the plan surplus either through reduced contributions in the future or through refunds from the plan.

The amounts recognised in the Statement of financial activities are as follows:

	2025 £	2024 £
Interest on obligation	(449,000)	(420,000)
Expected return on scheme assets	449,000	420,000
Administrative expenses	(302,000)	(264,000)
	<hr/>	<hr/>
<b>Total amount recognised in the Statement of financial activities</b>	<b>(302,000)</b>	<b>(264,000)</b>
	<hr/> <hr/>	<hr/> <hr/>

The actuarial gain on the scheme at year end was £51,000 (2024 - £232,000).

Movements in the present value of the defined benefit obligation were as follows:

	2025 £	2024 £
Opening defined benefit obligation	8,577,000	9,646,000
Interest cost	449,000	420,000
Actuarial losses/(gains)	(108,000)	(854,000)
Benefits paid	(812,000)	(635,000)
	<hr/>	<hr/>
<b>Closing defined benefit obligation</b>	<b>8,106,000</b>	<b>8,577,000</b>
	<hr/> <hr/>	<hr/> <hr/>

## Notes to the financial statements for the year ended 31 December 2025

Changes in the fair value of scheme assets were as follows:

	2025 £	2024 £
Opening fair value of scheme assets	9,492,000	10,457,000
Expected return on assets	449,000	420,000
Actuarial gains/(losses)	(57,000)	(622,000)
Contributions by employer	141,000	136,000
Benefits paid	(812,000)	(635,000)
Administrative expenses	(302,000)	(264,000)
	<u>8,911,000</u>	<u>9,492,000</u>

The charity contributed £141,000 to its Defined benefit pension scheme in 2025 expecting to increase annually on 1 January at 3.6% per annum

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	2025	2024
Equities and property	0%	21%
Index linked gifts	53%	0%
Bonds	29%	78%
Cash	18%	1%

### Stakeholder and other pension schemes

The board at a meeting on 3 July 2002 decided to no longer offer entry to The Engineering Council Pension Scheme to new staff and nominated a stakeholder pension scheme instead. This is a defined contribution scheme operated by Scottish Widows and is not contracted out for the earnings related part of the State Pension Scheme. The employer contributes 10% of pensionable salary and the employee 5%.

The Engineering Council employer contributions during 2025 were £245,293 (2024 - £215,691).

## 25. Operating lease commitments

At 31 December 2025 the charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2025 £	2024 £
Not later than 1 year	166,534	2,661
Later than 1 year and not later than 5 years	743,180	12,012
Later than 5 years	1,790	-
	<u>911,504</u>	<u>14,673</u>

**Notes to the financial statements  
for the year ended 31 December 2025**

**26. Related party transactions**

EngineeringUK is a related party to the Engineering Council. Under the Engineering Council supplemental charter which came into effect on 22 March 2002, EngineeringUK may nominate 7 of its 22 Board members. By its Regulations, the Engineering Council has assigned all income from its registration fees to EngineeringUK. Changes to this regulation cannot be made without EngineeringUK's approval. The level of fee is determined by EngineeringUK.

During the year ended 31 December 2025, the following transactions took place between the parties arising from the above:

EngineeringUK provided a grant to the Engineering Council of £3,100,073 (2024 - £2,952,451) to fund its operation plus £141,090 (2024 - £136,187) for the pension scheme.

To cover use of shared space, The Engineering Council charged EngineeringUK £400 (2024 - £12,000) in the year.

On 31 December 2025, EngineeringUK was owed the sum of £883 from Engineering Council. This amount is disclosed within creditors falling due within one year.

On 31 December 2024, EngineeringUK owed the sum of £4,628 to Engineering Council. This amount is disclosed within debtors falling due within one year.

There were no other related party transactions within debtors in the current or the prior year.

**Notes to the financial statements  
for the year ended 31 December 2025**

**27. Comparative statement of financial activities**

	<i>Restricted funds 2024 £</i>	<i>Unrestricted funds 2024 £</i>	<i>Total funds 2024 £</i>
<b>Income from:</b>			
Charitable activities	136,187	3,101,662	3,237,849
Other trading activities	-	10,927	10,927
Investments	<u>-</u>	<u>87,047</u>	<u>87,047</u>
<b>Total income</b>	<u>136,187</u>	<u>3,199,636</u>	<u>3,335,823</u>
<b>Expenditure on:</b>			
Raising funds	-	(3,065)	(3,065)
Charitable activities	<u>(136,187)</u>	<u>(3,495,822)</u>	<u>(3,632,009)</u>
<b>Total expenditure</b>	<u>(136,187)</u>	<u>(3,498,887)</u>	<u>(3,635,074)</u>
<b>Net income before investment gains/(losses)</b>	-	(299,251)	(299,251)
Net gains/(losses) on investments	<u>-</u>	<u>101,373</u>	<u>101,373</u>
<b>Net income before other recognised gains and losses</b>	-	(197,878)	(197,878)
Derecognition of pension surplus	-	(104,000)	(104,000)
Actuarial gains on defined benefit pension scheme	<u>-</u>	<u>232,000</u>	<u>232,000</u>
<b>Net movement in funds</b>	-	(69,878)	(69,878)
<b>Reconciliation of funds:</b>			
Total funds brought forward	<u>-</u>	<u>3,341,403</u>	<u>3,341,403</u>
<b>Total funds carried forward</b>	<u>-</u>	<u>3,271,525</u>	<u>3,271,525</u>



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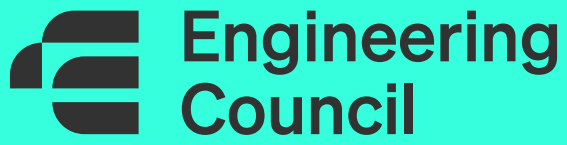
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