

COMPANY REGISTRATION NUMBER SC000358

**THE INSTITUTION OF ENGINEERS &
SHIPBUILDERS IN SCOTLAND
COMPANY LIMITED BY GUARANTEE
FINANCIAL STATEMENTS
31 JULY 2011**

Charity Number SC011583

NELSON GILMOUR SMITH
Chartered Accountants
Mercantile Chambers
53 Bothwell Street
Glasgow
G2 6TB

**THE INSTITUTION OF ENGINEERS & SHIPBUILDERS IN
SCOTLAND
COMPANY LIMITED BY GUARANTEE**

FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2011

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**THE INSTITUTION OF ENGINEERS & SHIPBUILDERS IN
SCOTLAND
COMPANY LIMITED BY GUARANTEE**

MEMBERS OF THE BOARD AND PROFESSIONAL ADVISERS

Registered charity name The Institution of Engineers & Shipbuilders in Scotland
Charity number SC011583
Company registration number SC000358

Registered office Clydeport Building
16 Robertson Street
Glasgow
G2 3EY

Council G G T Masterton C Eng, FIES - President
Professor I A Macleod CEng, FIES - Vice President
Professor D K Harrison CEng, FIES - Immediate
Past President
Dr M Macdonald CEng, FIES - Treasurer
S Cameron CEng FIES (Appointed 19 April 2011)
E G W Chambers CEng, FIES (Retired 1 September
2010)
C Denton CEng FIES (Appointed 19 April 2011)
K R Dinardo CEng, FIES
D Elder CEng FIES (Appointed 19 April 2011)
G Forsyth CEng FIES (Appointed 19 April 2011)
K Fulford CEng, FIES
C F Gorrie CEng, FIES (Retired 19 April 2011)
R Harley CEng FIES (Appointed 19 April 2011)
Professor P Jowitt CEng FIES (Appointed 19 April
2011)
A MacDonald, MIES
J McCafferty CEng FIES (Appointed 19 April 2011)
H Osborn CEng FIES (Appointed 19 April 2011)
P Preston CEng, FIES
Dr F Quail CEng, FIES (Retired 19 April 2011)
Dr M Reed CEng, FIES (Retired 19 April 2011)
W S Ross CEng FIES (Appointed 19 April 2011)
A Tait CEng, FIES (Appointed 1 September 2010)
N Wardil CEng, FIES (Retired 19 April 2011)
D M Westmore CEng, FIES

Secretary Professor I A MacLeod

Independent examiner Andrew Wilson CA
Partner, Nelson Gilmour Smith Chartered Accountants
Mercantile Chambers
53 Bothwell Street
Glasgow
G2 6TB

Investment adviser Speirs & Jeffrey
36 Renfield Street
Glasgow
G2 1NA

**THE INSTITUTION OF ENGINEERS & SHIPBUILDERS IN
SCOTLAND
COMPANY LIMITED BY GUARANTEE**

MEMBERS OF THE BOARD AND PROFESSIONAL ADVISERS *(continued)*

Bankers

Bank of Scotland
235 Sauchiehall Street
Glasgow
G2 3EY

**THE INSTITUTION OF ENGINEERS & SHIPBUILDERS IN
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COUNCILLORS ANNUAL REPORT *(continued)*

YEAR ENDED 31 JULY 2011

The Council have pleasure in presenting their report on the affairs and activities of the Institution during the one hundred and fifty-fourth Session. The report covers the 12-month period ended 31 July 2011

Reference and administrative details

Reference and administrative details are shown in the schedule of members of the board and professional advisers on pages 1 to 2 of the financial statements.

The Council

The Council who served the company during the period were as follows:

G G T Masterton C Eng, FIES - President
Professor I A Macleod CEng, FIES - Vice President
Professor D K Harrison CEng, FIES - Immediate Past President
Dr M Macdonald CEng, FIES - Treasurer
S Cameron CEng FIES
E G W Chambers CEng, FIES
C Denton CEng FIES
K R Dinardo CEng, FIES
D Elder CEng FIES
G Forsyth CEng FIES
K Fulford CEng, FIES
C F Gorrie CEng, FIES
R Harley CEng FIES
Professor P Jowitt CEng FIES
A MacDonald, MIES
J McCafferty CEng FIES
H Osborn CEng FIES
P Preston CEng, FIES
Dr F Quail CEng, FIES
Dr M Reed CEng, FIES
W S Ross CEng FIES
A Tait CEng, FIES
N Wardil CEng, FIES
D M Westmore CEng, FIES

S Cameron CEng FIES was appointed as a director on 19 April 2011.
C Denton CEng FIES was appointed as a director on 19 April 2011.
D Elder CEng FIES was appointed as a director on 19 April 2011.
G Forsyth CEng FIES was appointed as a director on 19 April 2011.
R Harley CEng FIES was appointed as a director on 19 April 2011.
Professor P Jowitt CEng FIES was appointed as a director on 19 April 2011.
J McCafferty CEng FIES was appointed as a director on 19 April 2011.
H Osborn CEng FIES was appointed as a director on 19 April 2011.
W S Ross CEng FIES was appointed as a director on 19 April 2011.
A Tait CEng, FIES was appointed as a director on 1 September 2010.
E G W Chambers CEng, FIES retired as a director on 1 September 2010.
C F Gorrie CEng, FIES retired as a director on 19 April 2011.
Dr F Quail CEng, FIES retired as a director on 19 April 2011.
Dr M Reed CEng, FIES retired as a director on 19 April 2011.
N Wardil CEng, FIES retired as a director on 19 April 2011.

**THE INSTITUTION OF ENGINEERS & SHIPBUILDERS IN
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COUNCILLORS ANNUAL REPORT *(continued)*

YEAR ENDED 31 JULY 2011

Structure, governance and management

The Institution of Engineers & Shipbuilders in Scotland Limited is constituted as a company limited by guarantee and recognised as a charity by the Office of Scottish Charities Regulator and HM Revenue and Customs. The company is governed by its Council, who sets overall objectives and policies as well as overseeing and controlling activities. Day-to-day management of the company is delegated by the Council to an Executive committee. The governing documents of the company are contained within a memorandum and articles of association. The memorandum and articles of association contain provision for the appointment of 15 members of council who become directors of the company. Vacancies on the Council are filled by election of members at the Annual General Meeting.

The company has one wholly owned dormant subsidiary company, The Institution of Engineers in Scotland Limited.

Objectives and activities

The mission of the Institution is to provide a Forum in which individual members from all engineering and related disciplines can discuss and exchange information, generate ideas, involve young engineers and, with kindred bodies, promote a wider understanding of the role on the Engineering Profession in Society.

Achievements and performance

Lecture Programme

Wednesday 21st September 2010

The University Lecture
The AMC Floating Dock, Western Australia
Mr David Westmore

Tuesday 28th September 2010

The Presidential Address
Scots Engineers who Made the Modern World- Past & Present - with a look to the future Dr Gordon Masterton, OBE

Tuesday 9th November 2010

High Speed 2 Unifying the UK and developing the economy
Professor Rod Smith

Tuesday 30th November 2010

Joint Meeting with RINA, IESIS Hosting
Titanic Revisited
Stephen Payne

Tuesday 11 January 2011

Joint Meeting with IMarEST, IMarEST Hosting
Ship Stabilisers and other FIFE activities
Bill McDairmid - Rolls Royce, Dalgetty Bay

Tuesday 8 February 2011

The History of Lloyd's Register
Mr Ian White, Lloyds Register

Tuesday 8th March 2011

Low Carbon Economy - Can engineers start to define questions rather than answer them? Keith Clark,

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COUNCILLORS ANNUAL REPORT *(continued)*

YEAR ENDED 31 JULY 2011

CEO of Atkins

Tuesday 19th April 2011
For students and young people
Bridges and Bridge Engineers
Michel Virlogeux

Tuesday 19 April 2011
The Macmillan Memorial
Annual General Meeting
The Design of the Long Span Bridges
Michel Virlogeux

Thursday 9th June 2011
Joint meeting with the Royal Philosophical Society of Glasgow at the Glasgow Science Festival What nature did and did not give aerospace
Roderick A McD Galbraith, FRSE

The two Michel Virlogeux lectures were supported by ICE and IStructE.

These lectures sought to build on the success of previous years with a varied programme and broad appeal to both members of the Institution and members of the public.

Attendance at the Institution's lectures was generally increased. To accommodate the increase in numbers attending, several of the lectures were held in Strathclyde University and Glasgow Caledonian University. The Science Festival Lecture was held at Glasgow University.

The average attendance was 143, the largest attendances were for the Michel Virlogeux's lecture, with numbers of over 240 and 430 for the afternoon and evening lectures respectively.

Other Activities

IESIS was represented at Interconnect, at Strathclyde University.

IESIS attended the Tall Ships event in Greenock in July, hosting a stand and distributing information about the Institution, engineering and James Watt.

Council accepted a recommendation from the President, Gordon Masterton to launch the Scottish Engineering Hall of Fame, and enlisted the support of the Royal Academy of Engineering, the Royal Society of Edinburgh, the Royal Commission on the Ancient and Historical Monuments of Scotland, and the major engineering institutions. The first meeting of the selection panel took place. It is intended that the first inductees will be announced at the James Watt Dinner on 30 September 2011.

Energy Strategy Group

The Energy Strategy Group has been active in promoting the principle that national energy policy should be developed on the basis of sound engineering principles. During the session, meetings were held with a number of Scottish politicians to promote this idea. The Scottish Government however continued to develop its policies with little evidence that engineering principles were employed. The Westminster Government appeared to follow the same path i.e. towards significant increase in wind power without considering the need for generation capacity to control the National Grid or to plan for satisfying demand for electricity in general. Collaboration with other professional engineering Institutions to promote the need for a new approach to energy planning is being sought.

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COUNCILLORS ANNUAL REPORT *(continued)*

YEAR ENDED 31 JULY 2011

Professional Engineering Group

A main activity of this group was to organize the talks in May by Michel Virlogeux, a French bridge designer of worldwide renown. An afternoon talk to inspire young people towards a career in professional engineering and an evening public lecture were both very well attended. Recordings of the talks are now available online (see IESIS website) A new version of the profeng.org website was launched.

James Watt Dinner

The annual James Watt Dinner was held on 1 October 2010. Despite the difficult economic times numbers were good with over 280 members and guests enjoying an excellent evening at the Hilton Hotel in Glasgow. A decision was taken by the JWD group to subsidise a small number of tickets for students to attend at a reduced rate. This was regarded as successful. The Council records its thanks to the members of the JWD sub-group for organising the event.

Membership

During the session, 58 applications for membership were approved. As a consequence, as detailed in the membership roll shown on page 5, membership of the Institution at the 31st July 2011 was 469, an overall increase of 43 during the year. The increase is principally in the number of students, for which membership is free, and Council is pleased to see the involvement of younger people. The core membership of members, fellows and retired fellows has the same total as 2010. In the present economic climate, Council considers this to be satisfactory.

Publications

Publication of the Transactions for Session 2008-2009, volume 152 has been delayed due to problems securing papers. The IESIS Newsletter was published, copies were sent to other Engineering Institutions and MSPs; positive feedback was received.

Representation

Mr Fred Walker has served as the representative for the Institution on the Technical Committee of Lloyds Register. During the year, the Institution continued to support SCOTETA - The Engineering and Technology Association (Scotland) and provided administrative support to this organisation. The aims of SCOTETA are to promote professional engineering in Scotland. The Institution provides secretarial support to Engineering Scotland, the organisation that produces a combined programme of events for engineering Institutions and organisations in Scotland.

Financial review

The results for the year to 31 July 2011 show a small deficit of £2,243.

An unexpected invoice for work on our web-site of £1,980 contributes to the deficit of £2,243. New arrangements are being put in place for hosting the website. The reserves have risen from £851,534 (31st July 2010) to £980,884 (31st July 2011) principally as a result of the increase in market value of investments and prudent management of our investment portfolio

Risk Management

The Council is advised by its independent financial advisors, Speirs Jeffrey, who has conducted its own review of the major risks to which the charity is exposed, and systems have been established to mitigate those risks. External risks have been addressed in the strategic plan which allows for the diversification and development of activities to mitigate the identified risks. Internal risks are minimised by the implementation of procedures for authorisation of all transactions and projects to ensure consistent quality of delivery for all operational aspects of the charitable company. These procedures are periodically reviewed to ensure that they still meet the needs of the charity.

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COUNCILLORS ANNUAL REPORT *(continued)*

YEAR ENDED 31 JULY 2011

Membership Roll

The membership profile is presented in the following table:

	2011	2010
Honorary Fellow	1	1
Honorary Members	0	0
Life Members	7	7
Fellows	136	141
Members	32	36
Companions	4	3
Graduates	6	13
Students	165	116
Retired Fellows	118	109
Total	469	426

Plans for future periods

The Institution intends to build on its recent successes by offering good quality speakers on a wide range of engineering subjects. Other plans include:

- to forge closer links with other engineering bodies.
- to continue its work with the Energy Strategy Group, providing advice, knowledge and support for those seeking information on energy matters.
- to continue its progress with the ProfEng group and develop support from other bodies.
- to continue to develop the Scottish Engineering Hall of Fame.

Several new committees have been formed within Council, and they will address the issues of membership, awards and papers.

Responsibilities of the Council

The Council (who's members are also the directors of the Institution of Engineers & Shipbuilders in Scotland for the purposes of company law) is responsible for preparing the Councillors Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Council to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Council is required to:

- select suitable accounting policies and then apply them consistently;
 - observe the methods and principles in the Charities SORP (2005);
 - make judgements and estimates that are reasonable and prudent;
 - state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
-

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COUNCILLORS ANNUAL REPORT *(continued)*

YEAR ENDED 31 JULY 2011

- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

Independent examiner

Andrew Wilson CA

Partner, Nelson Gilmour Smith Chartered Accountants was appointed during the year as independent examiner.

Registered office:
Clydeport Building
16 Robertson Street
Glasgow
G2 3EY

Signed by order of the Council



Professor I A MacLeod
Company Secretary

17.4.12.....

**THE INSTITUTION OF ENGINEERS & SHIPBUILDERS IN
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**INDEPENDENT EXAMINER'S REPORT TO THE COUNCILLORS AND MEMBERS OF THE
INSTITUTION OF ENGINEERS & SHIPBUILDERS IN SCOTLAND**

YEAR ENDED 31 JULY 2011

I report on the accounts of the charity for the year ended 31 July 2011, which are set out on pages 8 to 16.

Respective responsibilities of the Councillors and Independent Examiner

The charity's councillors (who are also Directors of the company for the purposes of company law and Trustees of the charity for the purposes of charity law) are responsible for the preparation of the accounts in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. The charity council consider that the audit requirement of Regulation 10(1)(a) to (c) of the 2006 Accounts Regulations does not apply.

It is my responsibility to examine the accounts as required under section 44(1)(c) of the Act and to state whether particular matters have come to my attention.

Basis of Independent examiner's statement

My examination is carried out in accordance with Regulation 11 of the 2006 Accounts Regulations. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeks explanations from the councillors concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the view given by the accounts.

Independent Examiner's statement

In the course of my examination, no matter has come to my attention

1. which gives me reasonable cause to believe that in any material aspect the requirements:

- to keep accounting records in accordance with Section 44(1)(a) of the 2005 Act and Regulation 4 of the 2006 Accounts Regulations, and

- to prepare accounts which accord with the accounting records and comply with Regulation 8 of the 2006 Accounts Regulations

have not been met, or

2. to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



Andrew Wilson CA
Partner, Nelson Gilmour Smith Chartered Accountants
Independent examiner

Mercantile Chambers
53 Bothwell Street
Glasgow
G2 6TB

18/4/2012

**THE INSTITUTION OF ENGINEERS & SHIPBUILDERS IN
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**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING THE INCOME AND EXPENDITURE
ACCOUNT)**

YEAR ENDED 31 JULY 2011

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2011 £	Total Funds 2010 £
Incoming resources					
Incoming resources from generating funds:					
Voluntary income	2	14,243	—	14,243	12,977
Activities for generating funds	3	190	—	190	723
Investment income	4	39,942	—	39,942	36,154
Total incoming resources		54,375	—	54,375	49,854
Resources expended					
Charitable activities	5	(55,128)	—	(55,128)	(51,752)
Governance costs	6	(1,490)	—	(1,490)	(2,900)
Total resources expended		(56,618)	—	(56,618)	(54,652)
Net outgoing resources for the year					
Realised Gains/(losses)	7	(2,243)	—	(2,243)	(4,798)
Unrealised Gains/(losses) on investments		2,622	—	2,622	(6,587)
		128,971	—	128,971	109,138
Net movement in funds/net income for the year		129,350	—	129,350	97,753
Reconciliation of funds					
Total funds brought forward		784,660	66,874	851,534	753,781
Total funds carried forward		914,010	66,874	980,884	851,534

The Statement of Financial Activities includes all gains and losses in the year and therefore a statement of total recognised gains and losses has not been prepared.

All of the above amounts relate to continuing activities.

The notes on pages 13 to 18 form part of these financial statements.

**THE INSTITUTION OF ENGINEERS & SHIPBUILDERS IN
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BALANCE SHEET

31 JULY 2011

	Note	2011 £	2010 £
Fixed assets			
Tangible assets	9	710	887
Investments	10	977,076	851,252
		<u>977,786</u>	<u>852,139</u>
Current assets			
Stocks	11	400	481
Debtors	12	2,889	2,755
Cash at bank and in hand		11,916	8,317
		<u>15,205</u>	<u>11,553</u>
Creditors: Amounts falling due within one year	13	<u>(12,107)</u>	<u>(12,158)</u>
Net current assets/(liabilities)		3,098	(605)
Total assets less current liabilities		<u>980,884</u>	<u>851,534</u>
Net assets		<u>980,884</u>	<u>851,534</u>
Funds			
Restricted income funds	14	66,874	66,874
Unrestricted income funds	15	914,010	784,660
Total funds		<u>980,884</u>	<u>851,534</u>

The Council are satisfied that the company is entitled to exemption from the provisions of the Companies Act 2006 (the Act) relating to the audit of the financial statements for the year by virtue of section 477(2), and that no member or members have requested an audit pursuant to section 476(1) of the Act.

The Council acknowledge their responsibilities for:

- (i) ensuring that the company keeps adequate accounting records which comply with section 386 of the Act, and
- (ii) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of section 393, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the company.


The Balance sheet continues on the following page.
The notes on pages 13 to 18 form part of these financial statements.

**THE INSTITUTION OF ENGINEERS & SHIPBUILDERS IN
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BALANCE SHEET *(continued)*

31 JULY 2011

These financial statements were approved by the councillors on the 17.4.12 and are signed on their behalf by:



G G T Masterton
President



Professor I A MacLeod
Vice President



Dr M Macdonald
Treasurer

Company Registration Number: SC000358

The notes on pages 13 to 18 form part of these financial statements.

**THE INSTITUTION OF ENGINEERS & SHIPBUILDERS IN
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NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2011

1. Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention, except for investments which are included at market value and the revaluation of certain fixed assets, and in accordance with applicable United Kingdom accounting standards, the Statement of Recommended Practice "Accounting and Reporting by Charities" issued in March 2005 (SORP 2005) and the Companies Act 2006.

The financial statements have been prepared under the historical cost convention, except for investments which are included at market value, and in accordance with applicable United Kingdom accounting standards, the Statement of Recommended Practice "Accounting and Reporting by Charities" issued in March 2005 (SORP 2005), the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, and the Charities Accounts (Scotland) Regulations 2006.

Cash flow statement

The Council have taken advantage of the exemption in Financial Reporting Standard No 1 (revised) from including a cash flow statement in the financial statements on the grounds that the company is small.

Subscriptions

Subscriptions, donations, legacies and similar incoming resources are included in the year in which they are receivable, which is when the charity becomes entitled to the resource.

Resources expended

Expenditure is accounted for on an accruals basis. All costs have been attributed to one of the functional categories of resources expended in the Statement of Financial Activities (SOFA). The charity is not registered for VAT and accordingly expenditure is shown gross of irrecoverable VAT.

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Equipment	-	20% Reducing Balance
Fixtures & Fittings	-	20% Reducing Balance

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

2. Voluntary income

	Unrestricted Funds £	Total Funds 2011 £	Total Funds 2010 £
Donations			
Donations - Gifts & Bequests	492	492	492
Balance carried forward	492	492	492

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NOTES TO THE FINANCIAL STATEMENTS

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2. Voluntary income (continued)

	Unrestricted Funds	Total Funds 2011	Total Funds 2010
	£	£	£
Balance brought forward	492	492	492
Subscriptions	13,751	13,751	12,485
	<u>14,243</u>	<u>14,243</u>	<u>12,977</u>

3. Incoming resources from activities for generating funds

	Unrestricted Funds	Total Funds 2011	Total Funds 2010
	£	£	£
Sale of Technical Papers	<u>190</u>	<u>190</u>	<u>723</u>

4. Investment income

	Unrestricted Funds	Total Funds 2011	Total Funds 2010
	£	£	£
Income from UK listed investments	39,938	39,938	36,119
Other interest receivable	4	4	35
	<u>39,942</u>	<u>39,942</u>	<u>36,154</u>

5. Costs of charitable activities by fund type

	Unrestricted Funds	Total Funds 2011	Total Funds 2010
	£	£	£
Administration Costs	<u>55,128</u>	<u>55,128</u>	<u>51,752</u>

6. Governance costs

	Unrestricted Funds	Total Funds 2011	Total Funds 2010
	£	£	£
Accountancy fees	<u>1,490</u>	<u>1,490</u>	<u>2,900</u>

7. Net incoming resources for the year

This is stated after charging:

	2011	2010
	£	£
Depreciation	<u>177</u>	<u>222</u>

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NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2011

8. Staff costs and emoluments

Total staff costs were as follows:

	2011 £	2010 £
Wages and salaries	12,513	11,910
Social security costs	710	736
	<u>13,223</u>	<u>12,646</u>

Particulars of employees:

The average number of employees during the year, calculated on the basis of full-time equivalents, was as follows:

	2011 No	2010 No
Number of administrative staff	<u>1</u>	<u>1</u>

No employee received remuneration of more than £60,000 during the year (2010 - Nil).

9. Tangible fixed assets

	Equipment £	Fixtures & Fittings £	Total £
Cost			
At 1 August 2010 and 31 July 2011	<u>2,862</u>	<u>9,785</u>	<u>12,647</u>
Depreciation			
At 1 August 2010	1,975	9,785	11,760
Charge for the year	177	-	177
At 31 July 2011	<u>2,152</u>	<u>9,785</u>	<u>11,937</u>
Net book value			
At 31 July 2011	<u>710</u>	<u>-</u>	<u>710</u>
At 31 July 2010	<u>887</u>	<u>-</u>	<u>887</u>

10. Investments

Movement in market value

	2011 £	2010 £
Market value at 1 August 2010	851,252	703,888
Acquisitions at cost	68,297	77,500
Disposals at opening book value	(71,444)	(39,274)
Net gains on revaluations in the year ended 31 July 2011	128,971	109,138
Market value at 31 July 2011	<u>977,076</u>	<u>851,252</u>
Historical cost at 31 July 2011	<u>762,528</u>	<u>776,817</u>

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NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2011

10. Investments (continued)

Analysis of investments at 31 July 2011 between funds

	Unrestricted Funds £	Restricted Funds £	Total Funds 2011 £	Total Funds 2010 £
Other investments				
UK Group undertakings	2	-	2	2
Other Investments	910,200	66,874	977,074	851,250
	<u>910,202</u>	<u>66,874</u>	<u>977,076</u>	<u>851,252</u>

The company owns 100% of the issued share capital of The Institution Engineers in Scotland Limited, a company registered in Scotland. The Company was dormant throughout the year.

Material Investment Holdings

The following holdings represent more than 5% of the value of the Charity's total investments:

	2011 £
2,500 Weir Group	53,050
3,000 Royal Dutch Shell	67,185
45,000 British Assets Trust	58,185
17,000 Merchants Trust	67,609
6,750 Temple Bar	60,548
	<u>306,577</u>
	2010 £
3,000 Royal Dutch Shell	50,385
45,000 British Assets Trust	53,000
17,000 Merchants Trust	60,333
	<u>163,718</u>

11. Stocks

	2011 £	2010 £
Stock	<u>400</u>	<u>481</u>

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NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2011

12. Other debtors

	2011	2010
	£	£
Prepayments	<u>2,889</u>	<u>2,755</u>

13. Creditors: Amounts falling due within one year

	2011	2010
	£	£
Accruals	<u>12,107</u>	<u>12,158</u>

14. Restricted income funds

	Balance at 1 Aug 2010 and at 31 Jul 2011
	£
Marlow (Scotland) Lecture	15,000
Hugh Macmillan Memorial	26,000
W W Marriner	1,000
Other Special Funds	23,298
Social Fund	1,576
	<u>66,874</u>

There have been no movements on restricted funds during the year ended 31 July 2011.

The Hugh Macmillan Memorial was established to provide income to fund a lecture and dinner each year.

The Marlow (Scotland) Lecture was established to provide funds for a lecture and dinner every second year.

The W W Marriner Fund was established to provide funds for a prize.

All of the above funds were bestowed upon the Institution a number of years ago and, as such, the income arising from the specific investment of the funds is not separately identifiable. These funds are being treated as permanent endowment funds.

In general the costs of meeting the specific requirements of the above funds are met through the unrestricted funds.

15. Unrestricted income funds

	Balance at 1 Aug 2010	Incoming resources	Outgoing resources	Gains and losses	Balance at 31 Jul 2011
	£	£	£	£	£
General Funds	<u>784,660</u>	<u>54,375</u>	<u>(56,618)</u>	<u>131,593</u>	<u>914,010</u>

**THE INSTITUTION OF ENGINEERS & SHIPBUILDERS IN
SCOTLAND
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2011

16. Analysis of net assets between funds

	Tangible fixed assets	Investments	Net current assets	Total
	£	£	£	£
Restricted Income Funds:				
Marlow (Scotland) Lecture	–	15,000	–	15,000
Hugh Macmillan Memorial	–	26,000	–	26,000
W W Murriner	–	1,000	–	1,000
Other Special Funds	–	23,298	–	23,298
Social Fund	–	1,576	–	1,576
	–	<u>66,874</u>	–	<u>66,874</u>
Unrestricted Income Funds	710	910,912	3,098	914,720
Total Funds	710	977,786	3,098	981,594

17. Company limited by guarantee

The company is limited by Guarantee, as such, on winding up each member's liability is restricted to £10.

**THE INSTITUTION OF ENGINEERS & SHIPBUILDERS IN
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MANAGEMENT INFORMATION

YEAR ENDED 31 JULY 2011

**The following pages do not form part of the statutory financial statements
which are the subject of the independent examiner's report on page 9.**

**THE INSTITUTION OF ENGINEERS & SHIPBUILDERS IN
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COMPANY LIMITED BY GUARANTEE**

DETAILED STATEMENT OF FINANCIAL ACTIVITIES

YEAR ENDED 31 JULY 2011

	2011 £	2010 £
Incoming resources		
Voluntary income		
Donations - Gifts & Bequests	492	492
Member Subscriptions	13,751	12,485
	<u>14,243</u>	<u>12,977</u>
Activities for generating funds		
Sale of Technical Papers	190	723
Investment income		
Income from UK listed investments	39,938	36,119
Other interest receivable	4	35
	<u>39,942</u>	<u>36,154</u>
Total incoming resources	<u>54,375</u>	<u>49,854</u>
Resources expended		
Charitable activities		
Staff costs - Wages & Salaries	12,513	11,910
Staff costs - Employer's NIC	710	736
Establishment - Rent	11,310	13,683
Office expenses - Telephone	3,713	1,917
Depreciation	177	222
Financial Admin	5,500	5,500
Printing & Stationery	13,748	11,151
Meeting Expenses	6,171	5,307
James Watt Dinner - (Surplus)/Deficit	(84)	3
Prizes	455	180
Bank Charges	410	335
Sundries	505	808
	<u>55,128</u>	<u>51,752</u>
Governance costs		
Accountancy fees	1,490	2,900
Total resources expended	<u>56,618</u>	<u>54,652</u>
Net outgoing resources for the year	<u>(2,243)</u>	<u>(4,798)</u>

**THE INSTITUTION OF ENGINEERS & SHIPBUILDERS IN
SCOTLAND
COMPANY LIMITED BY GUARANTEE**

DETAILED STATEMENT OF FINANCIAL ACTIVITIES

YEAR ENDED 31 JULY 2011

	2011	2010
	£	£
Charitable activities		
Administration Costs		
<i>Activities undertaken directly</i>		
Staff costs - Wages & Salaries	12,513	11,910
Staff costs - Employer's NIC	710	736
Establishment - Rent	11,310	13,683
Office expenses - Telephone	3,713	1,917
Depreciation	177	222
Financial Admin	5,500	5,500
Printing & Stationery	13,748	11,151
Meeting Expenses	6,171	5,307
James Watt Dinner - (Surplus)/Deficit	(84)	3
Prizes	455	180
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	<u>55,128</u>	<u>51,752</u>