

**THE INSTITUTION OF ENGINEERS &
SHIPBUILDERS IN SCOTLAND
COMPANY LIMITED BY GUARANTEE
FINANCIAL STATEMENTS
31 JULY 2012**

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 2012

Contents	Page
Members of the Board and professional advisers	1
Councillors Annual Report	3
Independent examiner's report to the trustees and Members of IESIS	9
Statement of Financial Activities (incorporating the income and expenditure account)	10
Balance sheet	11
Notes to the financial statements	13
The following pages do not form part of the financial statements	
Detailed statement of financial activities	20

**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 8DS

Council Dr G G T Masterton OBE, FREng, FIES - President
Professor I A Macleod CEng, FIES - Vice President
& Secretary
Professor D K Harrison CEng, FIES - Immediate
Past President
Dr M Macdonald CEng, FIES - Treasurer
Mr S Cameron CEng, FIES
Mr C Denton CEng, FIES
Ms K R Dinardo CEng, FIES (Retired 10th April 2012)
Mr D Elder CEng, FIES
Mr G Fletcher CEng, FIES (Appointed 10th April 2012)
Mrs S Flynn CEng, FIES (Appointed 10th April 2012)
Mr G Forsyth CEng, FIES
Mr K Fulford CEng, FIES (Until 8th May 2012)
Mr C Gibson CEng, FIES (Appointed 10th April 2012)
Mr R Harley CEng, FIES
Professor P Jowitt CBE, FREng, FIES
Mr J McCafferty CEng, FIES
Mr A MacDonald, MIES (Retired 10th April 2012)
Mr H Osborn CEng, FIES
Mr P Preston CEng, FIES
Mr W S Ross CEng, FIES
Mr A Tait CEng, FIES
Mr N Wardil FIES (Appointed 10th April 2012)
Mr D M Westmore CEng, FIES (Retired 10th April 2012)

Professor I A MacLeod was elected President and Mr P Preston was elected Vice President & Secretary with effect from 25th September 2012.

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

Bankers

Bank of Scotland
235 Sauchiehall Street
Glasgow
G2 3EY

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

COUNCILLORS ANNUAL REPORT *(continued)*

YEAR ENDED 31 JULY 2012

The Council has pleasure in submitting the following report on the affairs and activities of the Institution during the one hundred and fifty-fifth Session. The report covers the 12-month period ended 31st July 2012.

Reference and administrative details

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

The council

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

Dr G G T Masterton OBE FEng FIES - President
Professor I A Macleod CEng FIES - Vice President & Secretary
Professor D K Harrison CEng FIES - Immediate Past President
Dr M Macdonald CEng FIES - Treasurer

Continuing Councillors

Mr Stuart Cameron CEng, FIES
Mr Chris Denton CEng, FIES
Mr Derek Elder CEng, FIES
Mr Graeme Forsyth CEng, FIES
Mr Ken Fulford CEng, FIES (until 8th May 2012)
Mr Robert Harley CEng, FIES
Professor Paul Jowitt CBE, FEng, FIES
Mr Jim McCafferty CEng, FIES
Mr Harry Osborn CEng, FIES
Mr Philip Preston CEng, FIES
Mr William S Ross CEng, FIES
Mr Alex Tait CEng, FIES

New Councillors

Mr Graeme Fletcher CEng, FIES (from 10th April 2012)
Mrs Suzanne Flynn CEng, FIES (from 10th April 2012)
Mr Colin Gibson CEng, FIES (from 10th April 2012)
Mr Norman Wardil FIES (from 10th April 2012)

Retiring Councillors

Ms Karen Dinardo CEng, FIES (until 10th April 2012)
Mr Alistair MacDonald MIES (until 10th April 2012)
Mr David M Westmore CEng, FIES (until 10th April 2012)

Council regrets to report that Mr Ken Fulford died on 8th May 2012 during his latest term in office, having given many years of valuable service to the Institution.

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

COUNCILLORS ANNUAL REPORT *(continued)*

YEAR ENDED 31 JULY 2012

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 of the Engineering Profession in Society.

Achievements and performance

Lecture Programme

Monday 19th September 2011 -The University Lecture
The Role of Refrigeration in the Future of Food and Farming
Mr Andy Pearson

Tuesday 27th September 2011- The Marlow Lecture
Traditional Ship Launching
Mr Fred M Walker

Monday 21st November 2011 - The Macmillan Memorial Lecture
Bridging the Infrastructure Gap
Gus Macdonald, Lord Macdonald of Tradeston

Tuesday 6th December 2011 - Joint Meeting with RINA
Hybrid Ferries - An Opportunity for Scotland
Mr Guy Platten

Tuesday 24th January 2012 - Joint meeting with IMarEST
Building the Nation's Flagship
Mr Steven Carroll

Tuesday 21st February 2012
Reconstruction in the Front Line - Military Engineering in Afghanistan
Lieutenant Colonel Adam Foley

Tuesday 20th March 2012
Transparency and Ethics in Engineering Project Management
Mr Bill Henry

Tuesday 10th April 2012 - AGM, and
Forth Replacement Crossing
Mr Alan Gillies and Mr Richard Lamb

These lectures sought to build on the success of previous years with a varied programme and a broad appeal to both members of the Institution and members of the public. The average attendance was 70.

Other Activities

IESIS was represented at Interconnect, at Strathclyde University.

A memorial service was held on 14th April 2012 for the 36 engineers who had lost their lives on RMS Titanic 100 years earlier. The service was held at the Institution's former headquarters in Elmbank Street, Glasgow beside the memorial plaque erected in the foyer by the Institution in 1913. Scottish Opera (current occupiers of the building) welcomed attendees to the Weir Hall and allowed members to view the Rankine Room. The event received significant publicity.

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

COUNCILLORS ANNUAL REPORT *(continued)*

YEAR ENDED 31 JULY 2012

Scottish Engineering Hall of Fame

The Institution successfully launched the Scottish Engineering Hall of Fame by announcing the first seven inductees at the James Watt Dinner on 30th Sept 2011. The initiative was well received and has been well supported by other engineering institutions. Sufficient sponsorship was raised to commission the design of a dedicated IESIS associated website to celebrate the Hall of Fame inductees. The initiative will be cost neutral to IESIS, any funding shortfalls being underwritten by Gordon Masterton.

Energy Strategy Group

The group focuses on the problems of electricity generation because that is where the most immediate problems for society in relation to energy lie. A proposal has been made to the Department of Energy and Climate Change that a Total System Analysis of electricity generation be carried out. This would use the most reliable data and methods.

Professional Engineering Group

The group promotes professional engineering as a very worthwhile career for young people. We manage a website for this purpose, organise special lectures for aspiring engineers and visits to universities to inform students about career prospects.

James Watt Dinner

The annual James Watt Dinner was held on 30th September 2011. Numbers improved on the previous year (309). The dinner was held in the Radisson Blu hotel, Glasgow. The Council records its thanks to the members of the JWD sub-group for organising the event.

Membership

During the session, 19 applications for membership were approved. As a consequence, as detailed in the membership roll shown on page 6, membership of the Institution at the 31st July 2012 was 456, an overall decrease of 13 during the year. The Executive has examined the age profile of the membership and has highlighted the need to recruit more members. Sir John Parker was awarded an Honorary Fellowship of the Institution, as agreed at the AGM on 10th April 2012.

Publications

Publication of the Transactions for Session 2008-2009, volume 152 has been delayed due to problems securing papers. The IESIS Newsletter was published, and copies were sent to other Engineering Institutions and MSPs; once again, positive feedback has been received. The IESIS website was redesigned, updated and relaunched in May 2012 adopting the design template commissioned for the Hall of Fame, at no additional cost, with ongoing administration managed directly by the Institution at minimal cost.

Representation

Mr Fred Walker has served as the representative for the Institution on the Technical Committee of Lloyds Register. SCOTETA subsumed its role in Scotland to the Royal Academy of Engineering, and as such ceased to exist. 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

Results & Future Prospects

The results for the year to 31st July 2012 show a deficit of £1,908.

The reason for the deficit is higher costs than budgeted for meeting expenses and higher costs than budgeted for production of the transactions. Steps have been taken to reduce these costs in 2012/2013.

The value of the investment portfolio remains largely unchanged - 31st July 2011 - £977,074; 31st July 2012 - £978,732.

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

COUNCILLORS ANNUAL REPORT *(continued)*

YEAR ENDED 31 JULY 2012

Financial Instruments

The company's principal liquid financial assets are its bank balances and investments. The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies. The company does not enter into any derivative financial instruments. The investment portfolio is spread across a range of listed securities.

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.

Going Concern

The company has financial resources, both liquid and investments, that can be readily converted to cash. Accordingly, the directors continue to adopt the going concern basis in preparing the financial statements.

Membership Roll

The membership profile is presented in the following table:

	2012	2011
Honorary Fellow	2	1
Life Members	5	7
Fellows	130	136
Members	26	32
Companions	4	4
Graduates	5	6
Students	170	165
Retired Fellows	114	118
Total	456	469

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

COUNCILLORS ANNUAL REPORT

YEAR ENDED 31 JULY 2012

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 groups have been formed within Council, these groups will also address the issues of membership, awards and papers.

Responsibilities of the council

The Council (whose 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;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The 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.

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

COUNCILLORS ANNUAL REPORT

YEAR ENDED 31 JULY 2012

Independent examiner

Andrew Wilson CA, Partner, Nelson Gilmour Smith Chartered Accountants & Registered Auditors has been re-appointed as independent examiner for the ensuing year.

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

Signed by order of the Council



Mr P Preston
Company Secretary

.....

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

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

YEAR ENDED 31 JULY 2012

I report on the accounts of the charity for the year ended 31st July 2012 which are set out on pages 10 to 18.

Respective responsibilities of the Councillors and Independent Examiner The charity's council (whose members are also Directors of the company for the purposes of company law and Trustees of the charity for the purposes of charity law) is 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 considers 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 trustees 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 Regulationshave 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 & Registered Auditors
Independent examiner

Mercantile Chambers
53 Bothwell Street
Glasgow
G2 6TB

19/4/2013

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

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING THE INCOME AND EXPENDITURE
ACCOUNT)**

YEAR ENDED 31 JULY 2012

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2012 £	Total Funds 2011 £
Incoming resources					
Incoming resources from generating funds:					
Voluntary income	2	14,142	–	14,142	14,243
Activities for generating funds	3	749	–	749	190
Investment income	4	40,985	–	40,985	39,942
Total incoming resources		55,876	–	55,876	54,375
Resources expended					
Charitable activities	5	(56,344)	–	(56,344)	(55,128)
Governance costs	6	(1,440)	–	(1,440)	(1,490)
Total resources expended		(57,784)	–	(57,784)	(56,618)
Net outgoing resources for the year					
	7	(1,908)	–	(1,908)	(2,243)
Realised Gains/(losses)		(5,430)	–	(5,430)	2,622
Unrealised Gains/(losses) on investments		7,214	–	7,214	128,971
Net movement in funds/net (expenditure)/income for the year		(124)	–	(124)	129,350
Reconciliation of funds					
Total funds brought forward		914,010	66,874	980,884	851,534
Total funds carried forward		913,886	66,874	980,760	980,884

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 16 to 21 form part of these financial statements.

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

BALANCE SHEET

31 JULY 2012

	Note	2012 £	2011 £
Fixed assets			
Tangible assets	9	555	710
Investments	10	978,734	977,076
		<u>979,289</u>	<u>977,786</u>
Current assets			
Stocks	11	350	400
Debtors	12	3,432	2,889
Cash at bank and in hand		8,642	11,916
		<u>12,424</u>	<u>15,205</u>
Creditors: Amounts falling due within one year	13	<u>(10,953)</u>	<u>(12,107)</u>
Net current assets			<u>3,098</u>
		<u>1,471</u>	
Total assets less current liabilities		<u>980,760</u>	<u>980,884</u>
Net assets		<u>980,760</u>	<u>980,884</u>
Funds			
Restricted income funds	14	66,874	66,874
Unrestricted income funds	15	913,886	914,010
Total funds		<u>980,760</u>	<u>980,884</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, and that no member or members have requested an audit pursuant to section 476 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 16 to 21 form part of these financial statements.

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

BALANCE SHEET

31 JULY 2012

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



Professor I A MacLeod
President



P Preston
Vice President



Dr M Macdonald
Treasurer

Company Registration Number: SC000358

The notes on pages 16 to 21 form part of these financial statements.

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2012

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 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, the Charities Accounts (Scotland) Regulations 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

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 2012 £	Total Funds 2011 £
Donations			
Donations - Gifts & Bequests	537	537	492
Subscriptions	13,605	13,605	13,751
	<u>14,142</u>	<u>14,142</u>	<u>14,243</u>

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2012

3. Incoming resources from activities for generating funds

	Unrestricted Funds	Total Funds 2012	Total Funds 2011
	£	£	£
Sale of Technical Papers	<u>749</u>	<u>749</u>	<u>190</u>

4. Investment income

	Unrestricted Funds	Total Funds 2012	Total Funds 2011
	£	£	£
Income from UK listed investments	40,983	40,983	39,938
Other interest receivable	<u>2</u>	<u>2</u>	<u>4</u>
	<u>40,985</u>	<u>40,985</u>	<u>39,942</u>

5. Costs of charitable activities by fund type

	Unrestricted Funds	Total Funds 2012	Total Funds 2011
	£	£	£
Administration Costs	<u>56,344</u>	<u>56,344</u>	<u>55,128</u>

6. Governance costs

	Unrestricted Funds	Total Funds 2012	Total Funds 2011
	£	£	£
Accountancy fees	<u>1,440</u>	<u>1,440</u>	<u>1,490</u>

7. Net (outgoing)/incoming resources for the year

This is stated after charging:

	2012	2011
	£	£
Depreciation	<u>155</u>	<u>177</u>

8. Staff costs and emoluments

Total staff costs were as follows:

	2012	2011
	£	£
Wages and salaries	12,749	12,513
Social security costs	<u>764</u>	<u>710</u>
	<u>13,513</u>	<u>13,223</u>

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2012

8. Staff costs and emoluments (continued)

Particulars of employees:

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

	2012	2011
	No	No
Number of administrative staff	<u>1</u>	<u>1</u>

No employee received remuneration of more than £60,000 during the year (2011 comparative figure - Nil).

9. Tangible fixed assets

	Equipment	Fixtures & Fittings	Total
	£	£	£
Cost			
At 1 August 2011 and 31 July 2012	<u>2,862</u>	<u>9,785</u>	<u>12,647</u>
Depreciation			
At 1 August 2011	2,152	9,785	11,937
Charge for the year	155	-	155
At 31 July 2012	<u>2,307</u>	<u>9,785</u>	<u>12,092</u>
Net book value			
At 31 July 2012	<u>555</u>	-	<u>555</u>
At 31 July 2011	<u>710</u>	-	<u>710</u>

10. Investments

Movement in market value

	2012	2011
	£	£
Market value at 1 August 2011	977,076	851,252
Acquisitions at cost	34,552	68,297
Disposals at opening book value	(34,678)	(71,444)
Net gains on revaluations in the year ended 31 July 2012	<u>1,784</u>	<u>128,971</u>
Market value at 31 July 2012	<u>978,734</u>	<u>977,076</u>
Historical cost at 31 July 2012	<u>738,714</u>	<u>762,528</u>

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2012

10. Investments (continued)

Analysis of investments at 31 July 2012 between funds

	Unrestricted Funds £	Restricted Funds £	Total Funds 2012 £	Total Funds 2011 £
Other investments				
UK Group undertakings	2	-	2	2
Other Investments	<u>911,858</u>	<u>66,874</u>	<u>978,732</u>	977,074
	<u>911,860</u>	<u>66,874</u>	<u>978,734</u>	<u>977,076</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:

	2012
	£
3,000 Royal Dutch Shell	67,485
45,000 British Assets Trust	52,920
3,000 Diageo	51,210
3,500 GlaxoSmithKline	51,398
17,000 Merchant's Trust	61,897
6,750 Temple Bar	62,370
	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

11. Stocks

	2012	2011
	£	£
Stock	<u>350</u>	<u>400</u>

12. Other debtors

	2012	2011
	£	£
Prepayments	<u>3,432</u>	<u>2,889</u>

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2012

13. Creditors: Amounts falling due within one year

	2012	2011
	£	£
Accruals	<u>10,953</u>	<u>12,107</u>

14. Restricted income funds

	Balance at 1 Aug 2011 and at 31 Jul 2012
	£
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 31st July 2012.

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 2011	Incoming resources	Outgoing resources	Gains and losses	Balance at 31 Jul 2012
	£	£	£	£	£
General Funds	<u>914,010</u>	<u>55,876</u>	<u>(57,784)</u>	<u>1,784</u>	<u>913,886</u>

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2012

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 Marriner	–	1,000	–	1,000
Other Special Funds	–	23,298	–	23,298
Social Fund	–	1,576	–	1,576
	<u>–</u>	<u>66,874</u>	<u>–</u>	<u>66,874</u>
Unrestricted Income Funds	555	911,860	1,471	913,886
Total Funds	<u>555</u>	<u>978,734</u>	<u>1,471</u>	<u>980,760</u>

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
SCOTLAND
COMPANY LIMITED BY GUARANTEE**

MANAGEMENT INFORMATION

YEAR ENDED 31 JULY 2012

**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
SCOTLAND
COMPANY LIMITED BY GUARANTEE**

DETAILED STATEMENT OF FINANCIAL ACTIVITIES

YEAR ENDED 31 JULY 2012

	2012	2011
	£	£
Incoming resources		
Voluntary income		
Donations - Gifts & Bequests	537	492
Member Subscriptions	<u>13,605</u>	<u>13,751</u>
	<u>14,142</u>	<u>14,243</u>
Activities for generating funds		
Sale of Technical Papers	<u>749</u>	<u>190</u>
Investment income		
Income from UK listed investments	40,983	39,938
Other interest receivable	<u>2</u>	<u>4</u>
	<u>40,985</u>	<u>39,942</u>
Total incoming resources	<u>55,876</u>	<u>54,375</u>
Resources expended		
Charitable activities		
Staff costs - Wages & Salaries	12,749	12,513
Staff costs - Employer's NIC	764	710
Establishment - Rent	12,410	11,310
Office expenses - Telephone	1,252	3,713
Depreciation	155	177
Financial Admin	5,500	5,500
Printing & Stationery	13,597	13,748
Meeting Expenses	9,028	6,171
James Watt Dinner - (Surplus)/Deficit	(457)	(84)
Prizes	435	455
Bank Charges	421	410
Sundries	490	505
	<u>56,344</u>	<u>55,128</u>
Governance costs		
Accountancy fees	<u>1,440</u>	<u>1,490</u>
Total resources expended	<u>57,784</u>	<u>56,618</u>
Net outgoing resources for the year	<u>(1,908)</u>	<u>(2,243)</u>

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

DETAILED STATEMENT OF FINANCIAL ACTIVITIES

YEAR ENDED 31 JULY 2012

	2012	2011
	£	£
Charitable activities		
Administration Costs		
<i>Activities undertaken directly</i>		
Staff costs - Wages & Salaries	12,749	12,513
Staff costs - Employer's NIC	764	710
Establishment - Rent	12,410	11,310
Office expenses - Telephone	1,252	3,713
Depreciation	155	177
Financial Admin	5,500	5,500
Printing & Stationery	13,597	13,748
Meeting Expenses	9,028	6,171
James Watt Dinner - (Surplus)/Deficit	(457)	(84)
Prizes	435	455
Bank Charges	421	410
Sundries	490	505
	<u>56,344</u>	<u>55,128</u>