

**THE INSTITUTION OF ENGINEERS &  
SHIPBUILDERS IN SCOTLAND  
COMPANY LIMITED BY GUARANTEE  
FINANCIAL STATEMENTS  
31 JULY 2013**

**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 2013**

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

## MEMBERS OF THE BOARD AND PROFESSIONAL ADVISERS

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<b>Registered charity name</b>	The Institution of Engineers & Shipbuilders in Scotland
<b>Charity number</b>	SC011583
<b>Company registration number</b>	SC000358
	Clydeport Building 16 Robertson Street Glasgow G2 8DS
<b>Registered office</b>	Clydeport Building 16 Robertson Street Glasgow G2 3EY
<b>Council</b>	Professor I A Macleod CEng, FIES - President Mr P Preston CEng, FIES - Vice President & Secretary Dr G G T Masterton OBE, FEng, FIES - Immediate Past President Mr C Gibson CEng, FIES - Treasurer Mr I Barton, CEng, FIES (Appointed 9 April 2013) Mr S Cameron CEng, FIES (Retired 9 April 2013) Mr C Denton CEng, FIES Ms K R Dinardo CEng, FIES (Appointed 9 April 2013) Mr D Elder CEng, FIES Mr G Fletcher CEng, FIES Mrs S Flynn CEng, FIES Mr G Forsyth CEng, FIES Mr R Harley CEng, FIES Professor P Jowitt CBE, FEng, FIES Dr M Macdonald CEng, FIES Mr J McCafferty CEng, FIES Mr H Osborn CEng, FIES Mr W S Ross CEng, FIES Mr A Tait CEng, FIES (Retired 9 April 2013) Mr G Taylor CEng, FIES (Appointed 9 April 2013) Mr N Wardil FIES Mr D M Westmore CEng, FIES (Appointed 9 April 2013)
<b>Secretary</b>	Mr P Preston CEng, FIES
<b>Independent examiner</b>	Andrew Wilson CA, Partner, Nelson Gilmour Smith Chartered Accountants & Registered Auditors Mercantile Chambers 53 Bothwell Street Glasgow G2 6TB

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

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

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**Investment adviser**

Speirs & Jeffrey  
36 Renfield Street  
Glasgow  
G2 1NA

**Bankers**

Bank of Scotland  
235 Sauchiehall Street  
Glasgow  
G2 3EY

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

## COUNCILLORS ANNUAL REPORT

YEAR ENDED 31 JULY 2013

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The Council present their report and the unaudited financial statements of the company for the year ended 31 July 2013.

### 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:

Professor I A Macleod CEng, FIES - President  
Mr P Preston CEng, FIES - Vice President & Secretary  
Dr G G T Masterton OBE, FEng, FIES - Immediate Past President  
Dr M Macdonald CEng, FIES - Treasurer

### Continuing Councillors

Mr I Barton, CEng, FIES  
Mr S Cameron CEng, FIES  
Mr C Denton CEng, FIES  
Ms K R Dinardo CEng, FIES  
Mr D Elder CEng, FIES  
Mr G Fletcher CEng, FIES  
Mrs S Flynn CEng, FIES  
Mr G Forsyth CEng, FIES  
Mr C Gibson CEng, FIES  
Mr R Harley CEng, FIES  
Professor P Jowitt CBE, FEng, FIES  
Mr J McCafferty CEng, FIES  
Mr H Osborn CEng, FIES  
Mr W S Ross CEng, FIES  
Mr A Tait CEng, FIES  
Mr G Taylor CEng, FIES  
Mr N Wardil FIES  
Mr D M Westmore CEng, FIES

Mr I Barton, CEng, FIES was appointed as a director on 9 April 2013.  
Ms K R Dinardo CEng, FIES was appointed as a director on 9 April 2013.  
Mr G Taylor CEng, FIES was appointed as a director on 9 April 2013.  
Mr D M Westmore CEng, FIES was appointed as a director on 9 April 2013.  
Mr S Cameron CEng, FIES retired as a director on 9 April 2013.  
Mr A Tait CEng, FIES retired as a director on 9 April 2013.

Council regrets to report that Mr Alex Tait died in early July 2013 after a short illness. Alex gave many years of valuable service to the Institution.

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

COUNCILLORS ANNUAL REPORT *(continued)*

YEAR ENDED 31 JULY 2013

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## **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 of the Engineering Profession in Society.

## **Achievements and performance**

Lecture Programme

Tuesday **18th September 2012**, Special lecture for prospective engineers

**'Commitment, Value, Excellence....Engineered'**

Frazer Mackay

Wednesday, **19th September 2012** - The University Lecture

**'Innovative ideas - High Speed Railplane'**

Harry Osborn

Tuesday **25th September 2012** - **Presidential Address**

**'Professional Engineer - Holistic Thinker?'**

Professor Iain MacLeod

Tuesday **23rd October 2012** - Members Night

**'Energy- the need for a total system study for electricity generation'**

Tuesday **6th November 2012** - MacMillan Memorial Lecture

**'Architectural & Engineering Alchemy'**

Ed McCann

Thursday **13th December 2012** - Joint Meeting with RINA and ICE

**'Rosyth Dockyard Improvements'**

Nicholas McCormick

Tuesday **15th January 2013** - Joint meeting with IMarEST,

**'MAN 2 Stroke Gas Engines'**

Rene Laursen

Tuesday **12th February 2013**

**'The role of computers in advancing best practice in the construction industry'**

Tim Broyd

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# THE INSTITUTION OF ENGINEERS & SHIPBUILDERS IN SCOTLAND

## COMPANY LIMITED BY GUARANTEE

COUNCILLORS ANNUAL REPORT *(continued)*

YEAR ENDED 31 JULY 2013

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Tuesday 12th March 2013

### **'Manufacturing in Scotland'**

Dick Philbrick, Crawford Gorrie, Dave Wilson

Tuesday 9th April 2013

### **AGM plus Members' Meeting**

Trust Hall, Clydeport Building

Wednesday 17th April 2013 - Joint meeting with The Royal Philosophical Society of Glasgow

### **'Three heads are better than one'**

Peter Jones

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. It is intended to try to hold more joint lectures with other institutions. The average attendance was 65.

### **Other Activities**

#### **Scottish Engineering Hall of Fame**

The Scottish Engineering Hall of Fame continues to flourish, four more engineers were inducted into the Hall of Fame at the 2012 James Watt Dinner.

#### **Energy Strategy Group**

The Energy Strategy Group continues to promote the principle that planning for energy in general, and for the Electricity System in particular, should be based on sound engineering principles. Recommendations were made to the UK Government that a Total System Analysis for electricity be carried out. As yet no action has been taken on this. We continue to promote the principle.

#### **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. The institution held a prestige lecture for aspiring engineers in September 2012. The lecture was well attended and further events are planned.

#### **James Watt Dinner**

The annual James Watt Dinner was held on 28th September 2012. 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, 68 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 2013 was 490, an overall increase of 34 during the year. The Executive has examined the age profile of the membership and has highlighted the need to recruit more members. Dr Douglas Anderson and Mr Hugh Gill were awarded Honorary Fellowships of the Institution at the 2013 James Watt Dinner, as agreed by Council.

#### **Publications**

The Transactions publication has been updated to a more modern, full colour, magazine style. Volume 153 was published in this format and copies were sent to other Engineering Institutions and MSPs; once again, positive feedback has been received. The IESIS website has been improved. The institution published a newsletter in late autumn 2012.

# THE INSTITUTION OF ENGINEERS & SHIPBUILDERS IN SCOTLAND

## COMPANY LIMITED BY GUARANTEE

COUNCILLORS ANNUAL REPORT *(continued)*

YEAR ENDED 31 JULY 2013

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### Representation

Mr Fred Walker, after five years service on the Technical Committee of Lloyds Register has retired as the IESIS representative. He has handed over to Mr Graeme Fletcher. The Institution continues to provide secretarial support and office space for meetings 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 31 July 2013 show a surplus of £483 (2012: £(1,908)) The value of the investment portfolio has increased - 31st July 2012 - £978,734; 31st July 2013 - £1,140,903.

#### 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:

	2013	2012
Honorary Fellow	2	2
Life Members	5	5
Fellows	142	130
Members	28	26
Companions	4	4
Graduates	5	5
Students	194	170
Retired Fellows	110	114
Total	490	456

#### 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.



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

## COUNCILLORS ANNUAL REPORT *(continued)*

### YEAR ENDED 31 JULY 2013

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- 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.

#### **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 CEng, FIES  
Company Secretary

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**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 2013**

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I report on the accounts of the charity for the year ended 31 July 2013 that are set out on pages 9 to 16.

**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 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 & Registered Auditors  
Mercantile Chambers  
53 Bothwell Street  
Glasgow  
G2 6TB

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

**YEAR ENDED 31 JULY 2013**

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2013 £	Total Funds 2012 £
<b>Incoming resources</b>					
Incoming resources from generating funds:					
Voluntary income	2	16,314	–	16,314	14,142
Activities for generating funds	3	136	–	136	749
Investment income	4	42,839	–	42,839	40,985
<b>Total incoming resources</b>		<b>59,289</b>	<b>–</b>	<b>59,289</b>	<b>55,876</b>
<b>Resources expended</b>					
Charitable activities	5	(56,646)	–	(56,646)	(56,344)
Governance costs	6	(2,160)	–	(2,160)	(1,440)
<b>Total resources expended</b>		<b>(58,806)</b>	<b>–</b>	<b>(58,806)</b>	<b>(57,784)</b>
<b>Net incoming/(outgoing) resources for the year</b>					
Realised Gains/(losses)	7	483	–	483	(1,908)
Unrealised Gains/(losses) on investments		1,525	–	1,525	(5,430)
		160,831	–	160,831	7,214
<b>Net movement in funds/net income/(expenditure) for the year</b>					
		162,839	–	162,839	(124)
<b>Reconciliation of funds</b>					
Total funds brought forward		913,886	66,874	980,760	980,884
<b>Total funds carried forward</b>		<b>1,076,725</b>	<b>66,874</b>	<b>1,143,599</b>	<b>980,760</b>

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 11 to 16 form part of these financial statements.

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

**BALANCE SHEET**

**31 JULY 2013**

<b>Fixed assets</b>			
Tangible assets	9	626	555
Investments	10	<u>1,140,903</u>	<u>978,734</u>
		<b>1,141,529</b>	<b>979,289</b>
<b>Current assets</b>			
Stocks	11	350	350
Debtors	12	2,976	3,432
Cash at bank and in hand		<u>16,726</u>	<u>8,642</u>
		<b>20,052</b>	<b>12,424</b>
<b>Creditors: Amounts falling due within one year</b>	<b>13</b>	<u>(17,982)</u>	<u>(10,953)</u>
<b>Net current assets</b>		<b>2,070</b>	<b>1,471</b>
<b>Total assets less current liabilities</b>		<u><b>1,143,599</b></u>	<u><b>980,760</b></u>
<b>Net assets</b>		<u><b>1,143,599</b></u>	<u><b>980,760</b></u>
<b>Funds</b>			
Restricted income funds	14	66,874	66,874
Unrestricted income funds	15	<u>1,076,725</u>	<u>913,886</u>
<b>Total funds</b>		<u><b>1,143,599</b></u>	<u><b>980,760</b></u>

For the year ended 31 July 2013 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Council' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The Council acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements were approved by the councillors and authorised for issue on the ..... and are signed on their behalf by:

Professor I A MacLeod  
President

P Preston  
Vice President

C Gibson  
Treasurer

Company Registration Number: SC000358

**The notes on pages 11 to 16 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 2013

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### 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.

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

**YEAR ENDED 31 JULY 2013**

**2. Voluntary income**

	<b>Unrestricted Funds £</b>	<b>Total Funds 2013 £</b>	<b>Total Funds 2012 £</b>
<b>Donations</b>			
Donations - Gifts & Bequests	979	979	537
Subscriptions	15,335	15,335	13,605
	<u>16,314</u>	<u>16,314</u>	<u>14,142</u>

**3. Incoming resources from activities for generating funds**

	<b>Unrestricted Funds £</b>	<b>Total Funds 2013 £</b>	<b>Total Funds 2012 £</b>
Sale of Technical Papers	136	136	749
	<u>136</u>	<u>136</u>	<u>749</u>

**4. Investment income**

	<b>Unrestricted Funds £</b>	<b>Total Funds 2013 £</b>	<b>Total Funds 2012 £</b>
Income from UK listed investments	42,834	42,834	40,983
Other interest receivable	5	5	2
	<u>42,839</u>	<u>42,839</u>	<u>40,985</u>

**5. Costs of charitable activities by fund type**

	<b>Unrestricted Funds £</b>	<b>Total Funds 2013 £</b>	<b>Total Funds 2012 £</b>
Administration Costs	56,646	56,646	56,344
	<u>56,646</u>	<u>56,646</u>	<u>56,344</u>

**6. Governance costs**

	<b>Unrestricted Funds £</b>	<b>Total Funds 2013 £</b>	<b>Total Funds 2012 £</b>
Accountancy fees	1,680	1,680	1,440
Legal fees	480	480	-
	<u>2,160</u>	<u>2,160</u>	<u>1,440</u>

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

This is stated after charging:

	<b>2013 £</b>	<b>2012 £</b>
Depreciation	157	155
	<u>157</u>	<u>155</u>

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

**YEAR ENDED 31 JULY 2013**

**8. Staff costs and emoluments**

**Total staff costs were as follows:**

	<b>2013</b>	2012
	£	£
Wages and salaries	<b>16,847</b>	12,749
Social security costs	<b>1,282</b>	764
	<b><u>18,129</u></b>	<u>13,513</u>

**Particulars of employees:**

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

	<b>2013</b>	2012
	No	No
Number of administrative staff	<b><u>1</u></b>	<u>1</u>

No employee received remuneration of more than £60,000 during the year (2012 - Nil).

**9. Tangible fixed assets**

	<b>Equipment</b>	<b>Fixtures &amp; Fittings</b>	<b>Total</b>
	£	£	£
<b>Cost</b>			
At 1 August 2012	<b>2,862</b>	<b>9,785</b>	<b>12,647</b>
Additions	<b>228</b>	–	<b>228</b>
<b>At 31 July 2013</b>	<b><u>3,090</u></b>	<b><u>9,785</u></b>	<b><u>12,875</u></b>
<b>Depreciation</b>			
At 1 August 2012	<b>2,307</b>	<b>9,785</b>	<b>12,092</b>
Charge for the year	<b>157</b>	–	<b>157</b>
<b>At 31 July 2013</b>	<b><u>2,464</u></b>	<b><u>9,785</u></b>	<b><u>12,249</u></b>
<b>Net book value</b>			
<b>At 31 July 2013</b>	<b><u>626</u></b>	–	<b><u>626</u></b>
At 31 July 2012	<b><u>555</u></b>	–	<b><u>555</u></b>

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

**YEAR ENDED 31 JULY 2013**

**10. Investments**

**Movement in market value**

	<b>2013</b>	2012
	£	£
Market value at 1 August 2012	<b>978,734</b>	977,076
Acquisitions at cost	<b>92,165</b>	34,552
Disposals at opening book value	<b>(90,828)</b>	(34,678)
Net gains on revaluations in the year ended 31 July 2013	<b>160,832</b>	1,784
Market value at 31 July 2013	<b><u>1,140,903</u></b>	<u>978,734</u>
Historical cost at 31 July 2013	<b><u>755,007</u></b>	<u>738,714</u>

**Analysis of investments at 31 July 2013 between funds**

	<b>Unrestricted Funds</b>	<b>Restricted Funds</b>	<b>Total Funds 2013</b>	Total Funds 2012
	£	£	£	£
<b>Other investments</b>				
UK Group undertakings	<b>2</b>	-	<b>2</b>	2
Other Investments	<b><u>1,074,027</u></b>	<b><u>66,874</u></b>	<b><u>1,140,901</u></b>	<u>978,732</u>
	<b><u>1,074,029</u></b>	<b><u>66,874</u></b>	<b><u>1,140,903</u></b>	<u>978,734</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:

	<b>2013</b>
	£
45,000 British Assets Trust	<b>61,313</b>
3,000 Diageo	<b>61,620</b>
3,500 GlaxoSmithKline	<b>58,940</b>
30,000 Legal & General	<b>57,870</b>
17,000 Merchant's Trust	<b>85,170</b>
3,000 Royal Dutch Shell	<b>69,585</b>
6,750 Temple Bar	<b>82,350</b>
	<b>2012</b>
	£
45,000 British Assets Trust	<b>52,920</b>
3,000 Diageo	<b>51,210</b>
3,500 GlaxoSmithKline	<b>51,398</b>
17,000 Merchant's Trust	<b>61,897</b>
3,000 Royal Dutch Shell	<b>67,485</b>
6,750 Temple Bar	<b>62,370</b>



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

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 JULY 2013**

**11. Stocks**

	<b>2013</b>	2012
	£	£
Stock	<b>350</b>	350

**12. Other debtors**

	<b>2013</b>	2012
	£	£
Prepayments	<b>2,976</b>	3,432

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

	<b>2013</b>	2012
	£	£
Accruals	<b>17,982</b>	10,953

**14. Restricted income funds**

	<b>Balance at 1 Aug 2012 and at 31 Jul 2013</b>
	£
Marlow (Scotland) Lecture	15,000
Hugh Macmillan Memorial	26,000
W W Marriner	1,000
Other Special Funds	23,298
Social Fund	1,576
	<b>66,874</b>

There have been no movements on restricted funds during the year ended 31 July 2013.

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.

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

**YEAR ENDED 31 JULY 2013**

**15. Unrestricted income funds**

	Balance at 1 Aug 2012	Incoming resources	Outgoing resources	Gains and losses	Balance at 31 Jul 2013
	£	£	£	£	£
General Funds	<u>913,886</u>	<u>59,221</u>	<u>(58,738)</u>	<u>162,356</u>	<u>1,076,725</u>

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

	Tangible fixed assets	Investments	Net current assets	Total
	£	£	£	£
<b>Restricted Income Funds:</b>				
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>66,874</u>	–	<u>66,874</u>
<b>Unrestricted Income Funds</b>	<u>626</u>	<u>1,074,029</u>	<u>2,138</u>	<u>1,076,793</u>
<b>Total Funds</b>	<u>626</u>	<u>1,140,903</u>	<u>2,138</u>	<u>1,143,667</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  
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COMPANY LIMITED BY GUARANTEE**

**MANAGEMENT INFORMATION**

**YEAR ENDED 31 JULY 2013**

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**The following page does not form part of the statutory financial statements  
that are the subject of the independent examiner's report on page 8.**

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

**DETAILED STATEMENT OF FINANCIAL ACTIVITIES**

**YEAR ENDED 31 JULY 2013**

	2013 £	2012 £
<b>Incoming resources</b>		
<b>Voluntary income</b>		
Donations - Gifts & Bequests	979	537
Member Subscriptions	<u>15,335</u>	<u>13,605</u>
	<u>16,314</u>	<u>14,142</u>
<b>Activities for generating funds</b>		
Sale of Technical Papers	<u>136</u>	<u>749</u>
<b>Investment income</b>		
Income from UK listed investments	42,834	40,983
Other interest receivable	<u>5</u>	<u>2</u>
	<u>42,839</u>	<u>40,985</u>
<b>Total incoming resources</b>	<u>59,289</u>	<u>55,876</u>
<b>Resources expended</b>		
<b>Charitable activities</b>		
Staff costs - Wages & Salaries	16,847	12,749
Staff costs - Employer's NIC	1,282	764
Establishment - Rent	11,995	12,410
Office expenses - Telephone	490	1,252
Depreciation	157	155
Financial Admin	5,500	5,500
Printing & Stationery	12,151	13,597
Meeting Expenses	5,226	9,028
James Watt Dinner - (Surplus)/Deficit	-	(457)
Prizes	1,120	435
Bank Charges	794	421
Sundries	<u>1,084</u>	<u>490</u>
	<u>56,646</u>	<u>56,344</u>
<b>Governance costs</b>		
Accountancy fees	1,680	1,440
Legal fees	<u>480</u>	<u>-</u>
	<u>2,160</u>	<u>1,440</u>
<b>Total resources expended</b>	<u>58,806</u>	<u>57,784</u>
<b>Net incoming/(outgoing) resources for the year</b>	<u>483</u>	<u>(1,908)</u>