

COMPANY REGISTRATION NUMBER: SC000358
CHARITY REGISTRATION NUMBER: SC011583

**The Institution of Engineers in Scotland
Company Limited by Guarantee
Unaudited Financial Statements
31 July 2021**



NELSON GILMOUR SMITH

Chartered accountants
Mercantile Chambers
53 Bothwell Street
Glasgow
G2 6TB

The Institution of Engineers in Scotland

Company Limited by Guarantee

Financial Statements

Year ended 31 July 2021

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The Institution of Engineers in Scotland

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report)

Year ended 31 July 2021

The trustees, who are also the directors for the purposes of company law, present their report and the unaudited financial statements of the charity for the year ended 31 July 2021.

Reference and administrative details

Registered charity name	The Institution of Engineers in Scotland
Charity registration number	SC011583
Company registration number	SC000358
Principal office and registered office	Scottish Engineering Suite 105 West George Street Glasgow G2 1QL

The trustees

Dr A Pearson CEng, FIES -
President and Secretary
(2018-2020)
Mr D M Westmore CEng, FIES -
Past President (2018-2021)
Ms K R Dinardo CEng, FIES -
Past President (2016-2018)
Professor I A Macleod CEng,
FIES - Past President
(2012-2014)
Dr G G T Masterton OBE,
FEng, FIES - Past President
(2010-2012)
Professor D K Harrison CEng,
FIES Past President (2008-2010)
Professor S Cameron MBE, (Retired 27 April 2021)
CEng, FIES (Treasurer 2019 -
2021)
Mr D Elder CEng, FIES
Mr G Fletcher CEng, FIES
Ms M Grant MIES
Mr R Harley CEng, FIES
Mr R Philbrick FIES
Professor I Arbon CEng, FIES
Mr W Dunbar CEng, FIES (Retired 27 April 2021)
Ms P Pappas MIES
Ms K Travers MIES
Mr L Hammell GIES
Mr D MacDonald GIES (Retired 27 April 2021)
Professor T Buggy FIES
Mr A Stokes MIES
Mr N Wardil CEng, FIES
Mr P Sweeney MIES
Mr J Hayden CEng, FIES
Mr M Robb CEng, FIES
Mr G Colville CEng, FIES (Appointed 27 April 2021)
Mr G Bibby CEng, FIES (Appointed 27 April 2021)

The Institution of Engineers in Scotland

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 July 2021

Company secretary Dr A Pearson CEng, FIES

Independent examiner Andrew B Wilson
Mercantile Chambers
53 Bothwell Street
Glasgow
G2 6TB

Investment adviser Rathbones
50 George Street
Glasgow
G2 1EH

Bankers Bank of Scotland
235 Sauchiehall Street
Glasgow
G2 3EY

Structure, governance and management

The Institution of Engineers in Scotland 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. 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 and Shipbuilders in Scotland Limited.

Name change

Following a long consultation with members regarding the company's name, members voted by a significant majority in favour of reverting to the company's original name of The Institution of Engineers in Scotland. The effective date of the name change was 09 November 2020.

Objectives and activities

For members, other engineers, and those who aspire to be engineers: we organise activities and events that members enjoy and from which they benefit. We educate and stimulate engineers through our multidisciplinary approach and we promote engineering as a career.

For society and the environment: we emphasise the principle that engineering methodology should be used for solving complex problems. We encourage greater understanding of how engineering can help to resolve issues facing society and the environment, and we share the excitement and inspiration of engineering with all sectors of society.

Our activities

Our evening talks offer a broad selection of topics and speakers from across the engineering spectrum. The talks are suitable for all levels within the engineering profession and for individuals with an interest and curiosity about engineering matters. Attendance at lectures provides recognised CPD.

Each year we publish a journal that includes papers and articles that discuss important issues from across the engineering sector.

The Institution of Engineers in Scotland

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Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 July 2021

We promote engineering to public through the Scottish Engineering Hall of Fame showcases the lives of engineers who have made important contributions to Engineering and promote engineering as a career through our profeng.org website is a one-stop resource for aspiring engineers. We organise talks at schools and our Education fund supports a range of initiatives that relate to engineering.

We publish strategy reports that summarise important issues in relation to engineering and society.

Our annual James Watt Dinner, when we announce the inductees to the Scottish Engineering Hall of Fame, is one of the highlights of the engineering community in Scotland.

Website

The new website was launched in January 2021.

Covid pandemic

The impact of the Covid pandemic on our Institution has continued to be significant.

All physical meetings for the 2020 -2021 session were held online.

The AGM was held via Zoom in April.

The 2020 JWD was cancelled.

Achievements and performance

Lecture programme

Tuesday 29th September 2020 - Presidential Address

Scotland's role in the development of heat pumps: 1850 - 2050
Dr Andy Pearson, Managing Director, Star Refrigeration Ltd

Tuesday 13th October 2020 - The Rankine Bicentenary Lecture

Unconventional Geothermal Technologies and Opportunities
Prof Gioia Falcone, Rankine Chair, Professor of Engineering Science, University of Glasgow

Tuesday 17th November 2020

Scottish Environmental Protection Agency: COP26 / Crucial Issues for Planet Earth
Mr Terry Ahearn, Chief Executive Officer SEPA

Tuesday 8th December 2020 - Joint meeting with RINA

From Nano to Macro, 1 mm to 10,984 m, Vast and Essential for Life on Earth
Prof Colin Moffat, Chief Scientific Advisor Marine Scottish Government

Tuesday 12th January 2021 - Joint meeting with IMarEST

Dealing with plastic waste sustainably
Prof Ian Arbon, Senior Partner, Engineered Solutions Ltd

Tuesday 9th February 2021

UN Sustainable Development Goal No 6, Clean Water and Sanitation
Prof Bill Sloan, Professor of Environmental Engineering, University of Glasgow

Tuesday 9th March 2021

Nanotechnology
Prof Doug Paul, Professor of Semiconductor Devices, University of Glasgow

The Institution of Engineers in Scotland

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Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 July 2021

Tuesday 20th April 2021

Why Civil Society Needs Engineers - especially Naval Architects, Marine & Ocean Engineers!
Mr Peter Noble, President and Principal Advisor, Noble Associates Inc.

The 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.

Other Activities

Honorary Members

Keynote speakers at the Rankine 2020 conference were awarded 'Honorary Fellowship' for their achievements: Eckhard Groll, Helen Czerski, Mark McLinden and Vincent Lemort.

Scottish Engineering Hall of Fame

The Scottish Engineering Hall of Fame held off announcement of 2020 inductees and planned to announce them at the 2021 James Watt Dinner. NB as the pandemic continues the inductees for 2020 and 2021 were announced at an online event on Friday 8th October.

Energy Strategy Group

The group continues its efforts to raise the question of electricity generation strategy.

Professional Engineering Group

The group promotes professional engineering as a very worthwhile career for young people. Activities have been curtailed due to the pandemic.

The Education Fund

The Education Fund was able to support:

- Primary Engineer, the organisation that promotes the engineering project work in Primary and Secondary Schools
- Student prizes

James Watt Dinner

The annual James Watt Dinner was cancelled in 2020 due to the ongoing pandemic.

Membership

The Council continues to investigate increasing the membership numbers which are detailed below.

Publications

The Institution published five news bulletins over the last year. The Institution published Vol 159 of the Transactions Journal.

Representation

Mr Graeme Fletcher is the IES representative on the Technical Committee of Lloyd's Register.

Other Bodies

The Institution has been able to offer support for other engineering organisations by publicising events and news on the IES website. The Institution continues to support the work of the Primary Engineer with a donation of £2,000.

Financial review

The results for the year to 31st July 2021 showed that we trimmed back our expenditure to match the reduction in income caused by the pandemic and the movement in the value of our funds. As a result, we maintained a break-even position for the period. Council wishes to record their thanks to Rathbones for their management of the funds. The instruction regarding the IES portfolio has been continued unchanged. The full impact of the Covid pandemic on our portfolio remains unclear.

The Institution of Engineers in Scotland

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 July 2021

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 hold 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, Rathbones, 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:

	2021	2020
Honorary Fellows	14	10
Life Members	2	3
Fellows	155	159
Members	41	40
Graduates	16	15
Students	167	174
Retired Fellows	86	92
Total	481	493

Plans for future periods

The Institution intends to continue to support the traditional activities such as:

- providing a high-quality lecture programme,
- publishing the annual Journal,
- publishing regular bulletins of news and information,
- promoting to the public the importance of professional engineering in general and multidisciplinary working in particular,
- promoting to young people the excellent career opportunities in professional engineering,
- providing financial support for educational activities,
- giving information and advice on energy matters.

In addition, the Institution intends to develop its activities by:

- extending its support for educational activities in general,
 - promoting closer ties with other engineering Institutions,
 - seeking to extend the membership, especially to younger engineers,
 - offer visits to sites of interest to members.
 - responding to government requests for consultation
 - raising our public profile
-

The Institution of Engineers in Scotland

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 July 2021

Responsibilities of the council

The Council (whose members are also the Directors of the Institution of Engineers and 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.

Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

The trustees' annual report was approved on 26 April 2022 and signed on behalf of the board of trustees by:



Dr A Pearson CEng, FIES
Company Secretary

The Institution of Engineers in Scotland

Company Limited by Guarantee

Independent Examiner's Report to the Trustees of The Institution of Engineers in Scotland (continued)

Year ended 31 July 2021

I report to the trustees on my examination of the financial statements of The Institution of Engineers in Scotland ('the charity') for the year ended 31 July 2021.

Responsibilities and basis of report

As the trustees of the company (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005 ('the 2005 Act'), the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Companies Act 2006 ('the 2006 Act'). You are satisfied that the accounts of the company are not required by charity or company law to be audited and have chosen instead to have an independent examination.

Having satisfied myself that the accounts of the company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charity's accounts carried out under section 44(1)(c) of the 2005 Act. In carrying out my examination I have followed the requirements of Regulation 11 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Independent examiner's statement

Since the charity is required by company law to prepare its accounts on an accruals basis and is registered as a charity in Scotland your examiner must be a member of a body listed in Regulation 11(2) of the Charities Accounts (Scotland) Regulations 2006 (as amended). I can confirm that I am qualified to undertake the examination because I am a registered member of ICAS which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the charity as required by section 386 of the 2006 Act, section 44(1)(a) of the 2005 Act and Regulation 4 of the 2006 Accounts Regulations; or
2. the financial statements do not accord with those records or with the accounting requirements of Regulation 8 of the Charities Accounts (Scotland) Regulations 2006; or
3. the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination; or
4. the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



Andrew B Wilson
Independent Examiner

Mercantile Chambers
53 Bothwell Street
Glasgow
G2 6TB

The Institution of Engineers in Scotland

Company Limited by Guarantee

Statement of Financial Activities
(including income and expenditure account)

Year ended 31 July 2021

			2021		2020
	Note	Unrestricted funds £	Restricted funds £	Total funds £	Total funds £
Income and endowments					
Donations and legacies	5	19,426	3,925	23,351	23,667
Other trading activities	6	12,406	–	12,406	13,587
Investment income	7	36,741	–	36,741	41,903
Total income		<u>68,573</u>	<u>3,925</u>	<u>72,498</u>	<u>79,157</u>
Expenditure					
Expenditure on charitable activities	8,9	(68,205)	(4,450)	(72,655)	(73,557)
Total expenditure		<u>(68,205)</u>	<u>(4,450)</u>	<u>(72,655)</u>	<u>(73,557)</u>
Net gains/(losses) on investments	10	212,249	–	212,249	(199,666)
Net income/(expenditure)		<u>212,617</u>	<u>(525)</u>	<u>212,092</u>	<u>(194,066)</u>
Transfers between funds		(705)	705	–	–
Net movement in funds		<u>211,912</u>	<u>180</u>	<u>212,092</u>	<u>(194,066)</u>
Reconciliation of funds					
Total funds brought forward		1,037,055	67,574	1,104,629	1,298,695
Total funds carried forward		<u>1,248,967</u>	<u>67,754</u>	<u>1,316,721</u>	<u>1,104,629</u>

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

The notes on pages 10 to 21 form part of these financial statements.

The Institution of Engineers in Scotland

Company Limited by Guarantee

Statement of Financial Position *(continued)*

31 July 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible fixed assets	15	4,191	5,238
Investments	16	<u>1,271,691</u>	<u>1,025,793</u>
		1,275,882	1,031,031
Current assets			
Debtors	17	4,928	5,771
Cash at bank and in hand		<u>43,632</u>	<u>74,355</u>
		48,560	80,126
Creditors: amounts falling due within one year	18	<u>7,721</u>	<u>6,528</u>
Net current assets		40,839	73,598
Total assets less current liabilities		<u>1,316,721</u>	<u>1,104,629</u>
Net assets		<u>1,316,721</u>	<u>1,104,629</u>
Funds of the charity			
Restricted funds		67,754	67,574
Unrestricted funds		<u>1,248,967</u>	<u>1,037,055</u>
Total charity funds	22	<u>1,316,721</u>	<u>1,104,629</u>

For the year ending 31 July 2021 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

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

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

These financial statements were approved by the board of trustees and authorised for issue on 26 April 2022, and are signed on behalf of the board by:



Dr A Pearson CEng, FIES - President and
Secretary (2018-2020)
Trustee

The notes on pages 10 to 21 form part of these financial statements.

The Institution of Engineers in Scotland

Company Limited by Guarantee

Notes to the Financial Statements

Year ended 31 July 2021

1. General information

The charity is a public benefit entity and a private company limited by guarantee, registered in Scotland and a registered charity in Scotland. The address of the registered office is Scottish Engineering Suite, 105 West George Street, Glasgow, G2 1QL.

The company changed its name to The Institution of Engineers in Scotland on 09 November 2020. It was previously named Institution of Engineers and Shipbuilders in Scotland (The).

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)) and the Companies Act 2006.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

There are no material uncertainties about the charity's ability to continue.

Consolidation

The charity is not required to prepare consolidated accounts in accordance with the Charities Accounts (Scotland) Regulations 2006 (as amended), and has taken advantage of the option not to prepare consolidated financial statements contained in Section 398 of the Companies Act 2006 on the basis that the charity and its subsidiary undertakings comprise a small group.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. No material judgements were made in the preparation of the accounts presented herein.

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are limited to estimations of depreciation and recoverable amounts of tangible fixed assets.

The Institution of Engineers in Scotland

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 July 2021

3. Accounting policies *(continued)*

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal and fall into one of two sub-classes: restricted income funds or endowment funds.

Incoming resources

All incoming resources are included in the statement of financial activities when entitlement has passed to the charity; it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- legacy income is recognised when receipt is probable and entitlement is established.
- income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

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.

Tangible assets

All fixed assets are initially recorded at cost.

The Institution of Engineers in Scotland

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 July 2021

3. Accounting policies *(continued)*

Depreciation

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

Fixtures & Fittings	- 20% reducing balance
Equipment	- 20% reducing balance

Investments

Unlisted equity investments are initially recorded at cost, and subsequently measured at fair value. If fair value cannot be reliably measured, assets are measured at cost less impairment.

Listed investments are measured at fair value with changes in fair value being recognised in income or expenditure.

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

Government grants

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the charity will comply with the conditions attaching to them and the grants will be received.

Where the grant does not impose specified future performance-related conditions on the recipient, it is recognised in income when the grant proceeds are received or receivable. Where the grant does impose specified future performance-related conditions on the recipient, it is recognised in income only when the performance-related conditions have been met. Where grants received are prior to satisfying the revenue recognition criteria, they are recognised as a liability.

Financial instruments

A financial asset or a financial liability is recognised only when the charity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

Debt instruments are subsequently measured at amortised cost.

The Institution of Engineers in Scotland

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 July 2021

3. Accounting policies *(continued)*

Financial instruments *(continued)*

Where investments in shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in income and expenditure. All other such investments are subsequently measured at cost less impairment.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in the statement of financial activities, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised under the appropriate heading in the statement of financial activities in which the initial gain was recognised.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided.

4. Limited by guarantee

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

5. Donations and legacies

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Donations			
Donations - Gifts & Bequests	875	3,925	4,800
Grants			
Coronavirus Job Retention Scheme Grant	1,543	—	1,543

The Institution of Engineers in Scotland

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 July 2021

5. Donations and legacies *(continued)*

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Subscriptions			
Member subscriptions	17,008	—	17,008
	<u>19,426</u>	<u>3,925</u>	<u>23,351</u>
	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
Donations			
Donations - Gifts & Bequests	—	700	700
Grants			
Coronavirus Job Retention Scheme Grant	6,201	—	6,201
Subscriptions			
Member subscriptions	16,766	—	16,766
	<u>22,967</u>	<u>700</u>	<u>23,667</u>

6. Other trading activities

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
James Watt Dinner surplus	—	—	3,137	3,137
Sale of technical papers	535	535	515	515
Sale of administrative services	11,371	11,371	9,535	9,535
Other income	500	500	400	400
	<u>12,406</u>	<u>12,406</u>	<u>13,587</u>	<u>13,587</u>

7. Investment income

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Income from listed investments	36,741	36,741	41,903	41,903

The Institution of Engineers in Scotland

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 July 2021

8. Expenditure on charitable activities by fund type

	Unrestricted Funds	Restricted Funds	Total Funds
	£	£	2021
Administration Costs	65,642	4,450	70,092
Support costs	2,563	—	2,563
	<u>68,205</u>	<u>4,450</u>	<u>72,655</u>
	Unrestricted Funds	Restricted Funds	Total Funds
	£	£	2020
Administration Costs	68,419	—	68,419
Support costs	5,138	—	5,138
	<u>73,557</u>	<u>—</u>	<u>73,557</u>

9. Expenditure on charitable activities by activity type

	Activities undertaken directly	Grant funding of activities	Support costs	Total funds	Total fund
	£	£	£	2021	2020
Administration Costs	65,642	4,450	—	70,092	68,419
Governance costs	—	—	2,563	2,563	5,138
	<u>65,642</u>	<u>4,450</u>	<u>2,563</u>	<u>72,655</u>	<u>73,557</u>

10. Net gains/(losses) on investments

	Unrestricted Funds	Total Funds	Unrestricted Funds	Total Funds
	£	2021	£	2020
Gains/(losses) on investments	<u>212,249</u>	<u>212,249</u>	<u>(199,666)</u>	<u>(199,666)</u>

11. Net income/(expenditure)

Net income/(expenditure) is stated after charging/(crediting):

	2021	2020
	£	£
Depreciation of tangible fixed assets	<u>1,047</u>	<u>1,311</u>

12. Independent examination fees

	2021	2020
	£	£
Fees payable to the independent examiner for: Independent examination of the financial statements	<u>1,740</u>	<u>1,698</u>

The Institution of Engineers in Scotland

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 July 2021

13. Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2021	2020
	£	£
Wages and salaries	29,753	27,174
Employer contributions to pension plans	893	892
	<u>30,646</u>	<u>28,066</u>

The average head count of employees during the year was 1 (2020: 1). The average number of full-time equivalent employees during the year is analysed as follows:

	2021	2020
	No.	No.
Number of staff - administrative	<u>1</u>	<u>1</u>

No employee received employee benefits of more than £60,000 during the year (2020: Nil).

14. Trustee remuneration and expenses

No remuneration or other benefits from employment with the charity or a related entity were received by the trustees in the year or prior year.

15. Tangible fixed assets

	Fixtures and fittings £	Equipment £	Total £
Cost			
At 1 August 2020 and 31 July 2021	<u>6,549</u>	<u>2,888</u>	<u>9,437</u>
Depreciation			
At 1 August 2020	1,311	2,888	4,199
Charge for the year	<u>1,047</u>	<u>—</u>	<u>1,047</u>
At 31 July 2021	<u>2,358</u>	<u>2,888</u>	<u>5,246</u>
Carrying amount			
At 31 July 2021	<u>4,191</u>	<u>—</u>	<u>4,191</u>
At 31 July 2020	<u>5,238</u>	<u>—</u>	<u>5,238</u>

The Institution of Engineers in Scotland

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 July 2021

16. Investments

	Listed investments £	Shares in group undertakings £	Total £
Cost or valuation			
At 1 August 2020	1,025,791	2	1,025,793
Additions	106,497	—	106,497
Disposals	(51,664)	—	(51,664)
Fair value movements	191,065	—	191,065
At 31 July 2021	1,271,689	2	1,271,691
Impairment			
At 1 August 2020 and 31 July 2021		—	—
Carrying amount			
At 31 July 2021	1,271,689	2	1,271,691
At 31 July 2020	1,025,791	2	1,025,793

All investments shown above are held at valuation.

Financial assets held at fair value

Listed Investments

All listed investments are recognised at the stock exchange value at close of trading on the balance sheet date, which is taken to be an appropriate measure of fair value.

Shares in group undertakings

The company owns 100% of the issued share capital of The Institution of Engineers and Shipbuilders in Scotland Limited (SC189633), formerly known as The Institution of Engineers in Scotland Limited, a company registered in Scotland. The Company was dormant throughout the current and preceding year.

17. Debtors

	2021 £	2020 £
Prepayments and accrued income	4,928	5,771

18. Creditors: amounts falling due within one year

	2021 £	2020 £
Accruals and deferred income	7,721	6,528

The Institution of Engineers in Scotland

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 July 2021

19. Deferred income

	2021 £	2020 £
At 1 August 2020	—	2,256
Amount released to income	—	(2,256)
At 31 July 2021	—	—

Deferred income relates to the annual James Watt Dinner. Income is released to the Statement of Financial Activities once the dinner to which it relates has been held.

20. Pensions and other post retirement benefits

Defined contribution plans

The amount recognised in income or expenditure as an expense in relation to defined contribution plans was £893 (2020: £892).

21. Government grants

The amounts recognised in the financial statements for government grants are as follows:

	2021 £	2020 £
Recognised in income from donations and legacies:		
Government grants income	1,543	6,201

22. Analysis of charitable funds

Unrestricted funds

	At 1 Aug 2020 £	Income £	Expenditure £	Transfers £	Gains and losses £	At 31 Jul 2021 £
General Fund	1,037,055	68,573	(68,205)	(705)	212,249	1,248,967
Education Fund	—	—	—	—	—	—
	1,037,055	68,573	(68,205)	(705)	212,249	1,248,967

	At 1 Aug 2019 £	Income £	Expenditure £	Transfers £	Gains and losses £	At 31 Jul 2020 £
General Fund	1,231,821	78,457	(70,257)	(3,300)	(199,666)	1,037,055
Education Fund	—	—	(3,300)	3,300	—	—
	1,231,821	78,457	(73,557)	—	(199,666)	1,037,055

The Institution of Engineers in Scotland

Company Limited by Guarantee

Notes to the Financial Statements (continued)

Year ended 31 July 2021

22. Analysis of charitable funds (continued)

The Education Fund is maintained to earmark a portion of the charity's reserves for use in the support of educational activities.

Restricted funds

	At 1 Aug 2020 £	Income £	Expenditure £	Transfers £	Gains and losses £	At 31 Jul 2021 £
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
Rankine Fund	700	115	—	—	—	815
Education Fund	—	3,745	(4,450)	705	—	—
Energy Strategy Group	—	65	—	—	—	65
	<u>67,574</u>	<u>3,925</u>	<u>(4,450)</u>	<u>705</u>	<u>—</u>	<u>67,754</u>

	At 1 Aug 2019 £	Income £	Expenditure £	Transfers £	Gains and losses £	At 31 Jul 2020 £
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
Rankine Fund	—	700	—	—	—	700
Education Fund	—	—	—	—	—	—
Energy Strategy Group	—	—	—	—	—	—
	<u>66,874</u>	<u>700</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>67,574</u>

The Institution of Engineers in Scotland

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 July 2021

22. Analysis of charitable funds *(continued)*

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

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

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

The above funds together with the Other Special Funds and Social Fund 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.

The Rankine Fund consists of funds received for the reinstatement of the Macquorn Rankine headstone.

The Education Fund consists of funds received for the support of educational activities.

The Energy Strategy Group consists of funds received towards the activities of the group, whose aims are to promote the adoption of a national strategic approach to the generation and distribution of electricity, highlighting the dangers of service interruption if a co-ordinated whole-system approach to management of the electricity infrastructure is not followed.

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

23. Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Tangible fixed assets	4,191	—	4,191
Investments	1,204,817	66,874	1,271,691
Current assets	47,680	880	48,560
Creditors less than 1 year	(7,721)	—	(7,721)
Net assets	1,248,967	67,754	1,316,721

	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
Tangible fixed assets	5,238	—	5,238
Investments	958,919	66,874	1,025,793
Current assets	79,426	700	80,126
Creditors less than 1 year	(6,528)	—	(6,528)
Net assets	1,037,055	67,574	1,104,629

The Institution of Engineers in Scotland

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 July 2021

24. Financial instruments

The carrying amount for each category of financial instrument is as follows:

	2021 £	2020 £
Financial assets measured at fair value through income and expenditure		
Financial assets measured at fair value through income and expenditure	<u>1,271,689</u>	<u>1,025,791</u>

25. Related parties

No transactions with related parties were entered into during the year or preceding year that are required to be disclosed.

The Institution of Engineers in Scotland

Company Limited by Guarantee

Management Information

Year ended 31 July 2021

The following pages do not form part of the financial statements.

The Institution of Engineers in Scotland

Company Limited by Guarantee

Notes to the Detailed Statement of Financial Activities

Year ended 31 July 2021

	2021	2020
	£	£
Donations and legacies		
Donations – Gifts & Bequests	4,800	700
Coronavirus Job Retention Scheme Grant	1,543	6,201
Member subscriptions	17,008	16,766
	<u>23,351</u>	<u>23,667</u>
Other trading activities		
James Watt Dinner surplus	–	3,137
Sale of technical papers	535	515
Sale of administrative services	11,371	9,535
Other income	500	400
	<u>12,406</u>	<u>13,587</u>
Investment income		
Income from listed investments	36,741	41,903
	<u>72,498</u>	<u>79,157</u>
Total income		
	<u>72,498</u>	<u>79,157</u>
Administration Costs		
Salaries	(29,753)	(27,174)
Pension costs	(893)	(892)
Rent, rates & insurance	(7,180)	(7,583)
Repairs & maintenance	–	(1,212)
Telephone & internet	(1,149)	(940)
Depreciation	(1,047)	(1,311)
Other interest & similar charges	(9,103)	(3,204)
Sundry costs	(588)	(150)
Financial administration	(5,913)	(5,908)
Prizes	–	(800)
Meeting expenses	(741)	(6,640)
Publications, printing & stationery	(9,275)	(10,105)
	<u>(65,642)</u>	<u>(65,919)</u>
Grant funding activities		
Grants to institutions	(4,450)	(2,500)
Governance costs		
Accountancy	(1,740)	(1,848)
Legal & other professional	(823)	(3,290)
	<u>(2,563)</u>	<u>(5,138)</u>
Total Expenditure	<u>(72,655)</u>	<u>(73,557)</u>
Operating (deficit)/surplus	<u>(157)</u>	<u>5,600</u>
Net gains/(losses) on investments		
Gains/(losses) on investments - realised	21,184	(15,180)
Gains/(losses) on investments - unrealised	191,065	(184,486)
Total gains/(losses) on investments	<u>212,249</u>	<u>(199,666)</u>
Net income/(expenditure)	<u>212,092</u>	<u>(194,066)</u>