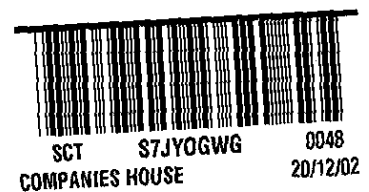


**EDINBURGH AND DISTRICT
ENGINEERING TRAINING
ASSOCIATION LIMITED
(BY GUARANTEE)**

ANNUAL REPORT

YEAR ENDED 31 JULY 2002

PKF
Registered Auditors



**EDINBURGH AND DISTRICT ENGINEERING TRAINING
ASSOCIATION LIMITED (BY GUARANTEE)**

COMPANY INFORMATION

Directors Mr J Stewart (vice-chairman)
Mr R Bisset
Mr B Thorpe
Mr B Donaldson (treasurer)
Mrs L Klimek
Mr A Allan (chairman)

Secretary Mrs M Campbell

Company Number SC47161

Registered Office Fleming House
Kinnaird Park
EH6 6EY
EH15 3RD

Auditors PKF
17 Rothesay Place
Edinburgh
EH3 7SQ

Solicitors Stuart & Stuart
23 Rutland Street
Edinburgh
EH1 2RN

Bankers Clydesdale Bank Plc
4 Bernard Street
Edinburgh
EH6 6PX

**EDINBURGH AND DISTRICT ENGINEERING TRAINING
ASSOCIATION LIMITED (BY GUARANTEE)**

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**EDINBURGH AND DISTRICT ENGINEERING TRAINING
ASSOCIATION LIMITED (BY GUARANTEE)
DIRECTORS' REPORT
YEAR ENDED 31 JULY 2002**

The directors submit their report and the financial statements for the year ended 31 July 2002.

Principal activity and review of the business.

The principal activity of the company during the year continued to be that of the supply of training services.

The directors have also released the designated funds for the project (note 12).

Directors

The directors who served during the year were:

Mr J Stewart (vice-chairman)
Mr R Bisset
Mr B Thorpe
Mr B Donaldson (treasurer)
Mr A Allan (chairman)
Mr J Watson (resigned)
Mrs L Klimek

None of the directors had any notifiable interest in the company at any time during the year.

Governing Instrument

Edinburgh and District Engineering Training Association Limited is a company limited by Guarantee, governed by its Memorandum and Articles of Association.

Status

The company is recognised by the Inland Revenue as a Scottish Charity, no. SC 016904.

Organisational Structure

The activities of the charity are ultimately controlled by the board of directors, who in turn delegate authority for the day to day management of the Association to the manager.

Reserves

The reserve fund represents a build up of surpluses from past operating results and represents the free reserves of the company. The directors have reviewed the requirement to maintain a level of free reserves and have concluded that the most appropriate level is twelve months of operational expenditure.

**EDINBURGH & DISTRICT ENGINEERING TRAINING ASSOCIATION
LIMITED (BY GUARANTEE)
DIRECTORS' REPORT (continued)
YEAR ENDED 31 JULY 2002**

Risk Policy

Having regard to the Charity Commission requirements on risk, the charity is undertaking an assessment of the major risks and controls in place with a view to further developing their control systems.

Investments

The directors adopt a low risk policy whilst maximising the annual return for the investments.

Auditors

The auditors, PKF, will be proposed for reappointment in accordance with section 385 of the Companies Act 1985.

Basis of preparation

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

On behalf of the board

Mrs M Campbell
Secretary



**EDINBURGH AND DISTRICT ENGINEERING TRAINING
ASSOCIATION LIMITED (BY GUARANTEE)
STATEMENT OF DIRECTORS' RESPONSIBILITIES**

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the surplus or deficit of the company for that period. In preparing those financial statements the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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 company will continue in business.

The directors are responsible for ensuring that the directors' report and other information included in the annual report is prepared in accordance with company law in the United Kingdom.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
EDINBURGH AND DISTRICT ENGINEERING TRAINING ASSOCIATION
LIMITED (BY GUARANTEE)**

We have audited the financial statements of Edinburgh and District Engineering Training Association Limited (By Guarantee) for the year ended 31 July 2002 which comprise the Income and Expenditure Account, the Statement of Financial Activities, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with the relevant legal and regulatory requirements and the United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of opinion

We conducted our audit in accordance with United Kingdom Auditing Standards, issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the charitable company as at 31 July 2002 and of its incoming resources and application of resources, including its income and expenditure, in the year then ended and have been properly prepared in accordance with the Companies Act 1985.

12 December 2002



EDINBURGH, UK

PKF
Registered Auditors

**EDINBURGH AND DISTRICT ENGINEERING TRAINING
ASSOCIATION LIMITED (BY GUARANTEE)
INCOME AND EXPENDITURE ACCOUNT
YEAR ENDED 31 JULY 2002**

	Notes	2002 £	2001 £
TURNOVER	2	213,414	185,126
Operating expenses		<u>(270,200)</u>	<u>(202,298)</u>
OPERATING DEFICIT	3	(56,786)	(17,172)
Interest receivable and similar items	4	<u>8,642</u>	<u>17,885</u>
SURPLUS/(DEFICIT) FOR THE FINANCIAL YEAR		<u><u>(48,144)</u></u>	<u><u>713</u></u>

All amounts relate to continuing operations.

There were no recognised gains or losses for the year other than those included in the income and expenditure account.

**EDINBURGH AND DISTRICT ENGINEERING TRAINING
ASSOCIATION LIMITED (BY GUARANTEE)
STATEMENT OF FINANCIAL ACTIVITIES
YEAR ENDED 31 JULY 2002**

			2002 £	2002 £	2001 £
	Notes	Restricted funds	Unrestricted fund	Total	
Incoming Resources					
Training grants		-	44,542	44,542	69,367
Course fees		-	141,232	141,232	92,106
Training fees		-	13,753	13,753	17,935
Per capita fees		-	500	500	600
Validation fees		-	7,532	7,532	3,663
Hire of lecture room		-	1,855	1,855	1,455
City of Edinburgh Council grant		-	4,000	4,000	-
Capital grant		100,000	-	100,000	-
Investment income	4	-	8,642	8,642	17,885
Total Incoming Resources		<u>100,000</u>	<u>222,056</u>	<u>322,056</u>	<u>203,011</u>
Resources Expended					
Direct Charitable Expenditure	5	-	217,182	217,182	147,039
Management and administration of the charity	6	<u>8,333</u>	<u>53,018</u>	<u>61,351</u>	<u>55,259</u>
Total Resources Expended	7	<u>8,333</u>	<u>270,200</u>	<u>278,533</u>	<u>202,298</u>
Net Movement in Funds		91,667	(48,144)	43,523	713
Balances brought forward at 1 August 2001		-	312,205	312,205	311,492
Balances carried forward at 31 July 2002		<u>91,667</u>	<u>264,061</u>	<u>355,728</u>	<u>312,205</u>

**EDINBURGH AND DISTRICT ENGINEERING TRAINING
ASSOCIATION LIMITED (BY GUARANTEE)
BALANCE SHEET
31 JULY 2002**

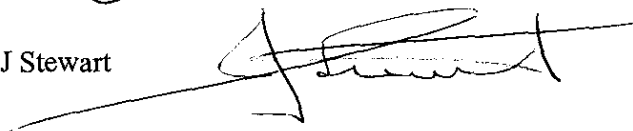
	Notes	2002 £	2001 £
FIXED ASSETS			
Tangible	8	185,729	2,468
Investments	9	96,000	180,000
		<u>281,729</u>	<u>182,468</u>
CURRENT ASSETS			
Debtors	10	20,404	9,341
Cash at bank and in hand		72,011	136,916
		<u>92,415</u>	<u>146,257</u>
CREDITORS: amounts falling due within one year	11	(18,416)	(16,520)
NET CURRENT ASSETS		<u>73,999</u>	<u>129,737</u>
NET ASSETS		<u><u>355,728</u></u>	<u><u>312,205</u></u>
Restricted funds		91,667	-
Unrestricted funds		264,061	312,205
FUNDS	12	<u><u>355,728</u></u>	<u><u>312,205</u></u>

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The financial statements were approved by the board on 12/12/2002.

Signed on behalf of the board of directors

A Allan 

J Stewart 

**EDINBURGH AND DISTRICT ENGINEERING TRAINING
ASSOCIATION LIMITED (BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JULY 2002**

1 ACCOUNTING POLICIES

(a) Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention with the exception of investments, which are included at market value, applicable accounting standards in the United Kingdom, the Statement of Recommended Practice (SORP) "Accounting & Reporting by Charities", and the Financial Reporting Standard for Smaller Entities (effective June 2002).

(b) Turnover

Turnover comprises charges to Government bodies and private concerns for employee training facilities, courses etc., net of value added tax and is recognised in the income and expenditure account when it is receivable.

(c) Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at the following rates per annum on a straight line basis.

Leasehold improvements	10 %
Equipment	20 %

(d) Operating leases

Operating lease rentals are charged in the income and expenditure account on a straight line basis over the lease term.

(e) Investments

Investments are included in the balance sheet at market value.

(f) Grants

Revenue grants are included within turnover in the year in which they are due. Capital grants are credited to the Statement of Financial Activities in the year in which they are due.

(g) Taxation

The association has been granted charitable status by the Inland Revenue and is not therefore liable for taxation.

(h) Pensions

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension charge in the income and expenditure account represents the amounts payable by the company to the fund in respect of the year.

**EDINBURGH AND DISTRICT ENGINEERING TRAINING
ASSOCIATION LIMITED (BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JULY 2002**

(i) Resources expended

Direct charitable expenditure comprise the costs of providing training services. Management and administration comprises costs for the running of the charity itself as an organisation. Where costs cannot be directly attributed to either of these two categories, it is estimated that 70% of staffing costs and premises costs are attributable to direct charitable expenditure with the balance attributable to management and administration.

**EDINBURGH AND DISTRICT ENGINEERING TRAINING
ASSOCIATION LIMITED (BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JULY 2002**

2 TURNOVER

All turnover arose within the United Kingdom.

3 OPERATING DEFICIT

The operating deficit is stated after charging:

	2002 £	2001 £
Depreciation of tangible fixed assets:		
- owned by the company	15,985	4,616
Auditors' remuneration - audit fee	1,100	1,050
Auditors' remuneration - non audit work	1,355	1,350
Operating lease rentals:		
- land and buildings	16,229	18,000
Pension cost	12,674	8,962
	<u>12,674</u>	<u>8,962</u>

No director received any emoluments (2001 - £NIL).

4 INVESTMENT INCOME

	2002 £	2001 £
National Savings Bonds	4,281	7,036
Deposits	4,361	10,849
	<u>8,642</u>	<u>17,885</u>

5 DIRECT CHARITABLE EXPENDITURE

	2002 £	2001 £
Training expenses	42,060	30,011
Staff costs	106,416	74,887
Course expenses	50,861	24,257
Premises costs	17,845	17,884
	<u>217,182</u>	<u>147,039</u>

**EDINBURGH AND DISTRICT ENGINEERING TRAINING
ASSOCIATION LIMITED (BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JULY 2002**

6 MANAGEMENT AND ADMINISTRATION OF THE CHARITY

	2002 £	2001 £
Staff costs	22,262	32,095
Premises costs	7,648	7,665
Audit and accountancy fees	4,955	2,480
Sundry costs	18,153	13,019
	<u>53,018</u>	<u>55,259</u>

7 TOTAL RESOURCES EXPENDED

	Staff Costs £	Other Costs £	Total 2002 £	Total 2001 £
Direct charitable expenditure	106,416	110,766	217,182	147,049
Management and administration of the charity	22,262	30,756	53,018	55,259
	<u>128,678</u>	<u>141,522</u>	<u>270,200</u>	<u>202,308</u>

Staff costs comprised:

	2002 £	2001 £
Wages and salaries	99,410	83,753
Social security costs	16,594	14,267
Pension costs	12,674	8,962
	<u>128,678</u>	<u>106,982</u>

Other costs comprised:

Premises	25,493	25,549
Training expenses	42,060	30,011
Course expenses	50,861	24,257
Miscellaneous	23,108	15,499
	<u>141,522</u>	<u>95,316</u>

The average number of employees during the year analysed by function was as follows:

	No	No
Training services	4	3
Management and administration	3	3
	<u>7</u>	<u>6</u>

No employees earned over £50,000 (2001:Nil).

**EDINBURGH AND DISTRICT ENGINEERING TRAINING
ASSOCIATION LIMITED (BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JULY 2002**

8 TANGIBLE FIXED ASSETS

	Leasehold Improvements £	Equipment £	Total £
Cost			
At 1 August 2001	10,877	12,203	23,080
Additions	138,624	68,955	207,579
At 31 July 2002	<u>149,501</u>	<u>81,158</u>	<u>230,659</u>
Depreciation			
At 1 August 2001	8,700	11,912	20,612
Charge for year	8,086	16,232	24,318
At 31 July 2002	<u>16,786</u>	<u>28,144</u>	<u>44,930</u>
Net book amount			
At 31 July 2002	<u>132,715</u>	<u>53,014</u>	<u>185,729</u>
At 31 July 2001	<u>2,177</u>	<u>291</u>	<u>2,468</u>

All fixed assets were held for direct charitable use.

9 FIXED ASSET INVESTMENTS

	National Savings Bonds £
Cost and valuation	
At 1 August 2001	180,000
Disposals	(84,000)
At 31 July 2002	<u>96,000</u>

All fixed asset investments are unlisted and held within the United Kingdom.

10 DEBTORS

	2002 £	2001 £
Trade debtors	3,319	4,400
Other debtors	17,085	4,941
	<u>20,404</u>	<u>9,341</u>

**EDINBURGH AND DISTRICT ENGINEERING TRAINING
ASSOCIATION LIMITED (BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JULY 2002**

11 CREDITORS:

Amounts falling due within one year

	2002	2001
	£	£
Bank overdraft	11,808	10,770
Other tax and social security	2,203	2,384
Other creditors	4,405	3,366
	<u>18,416</u>	<u>16,520</u>

12 FUNDS

	2002	2001
	£	£
Reserve fund at 1 August 2001	212,205	311,492
Surplus/(Deficit) for the year	(48,144)	713
Transfer from/(to) designated fund	100,000	(100,000)
	<u>264,061</u>	<u>212,205</u>
Designated fund - new premises fund	-	100,000
	<u>264,061</u>	<u>312,205</u>

13 OTHER COMMITMENTS

At 31 July 2002 the company had annual commitments under operating leases as follows:

	Land and buildings	
	2002	2001
	£	£
Expiry date:		
Within 1 year		18,000
Over 5 years	32,000	-
	<u>32,000</u>	<u>-</u>

14 TRANSACTIONS WITH RELATED PARTIES

There are no items required to be disclosed under Financial Reporting Standard number 8.

**EDINBURGH AND DISTRICT ENGINEERING TRAINING
ASSOCIATION LIMITED (BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JULY 2002**

15 PENSION COSTS

The company operates a defined contribution pension scheme, the assets of which are held separately from those of the company in an independently administered fund.

Contributions made by the company to the scheme during the year amounted to **£12,674** (2001 - £8,692).

16 RESTRICTED FUNDS

The restricted funds represent a capital grant received from the Scottish University for Industry in respect of a claim submitted to the Capital Modernisation Fund. This money related to the company's move to its new premises.