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COMPANY REGISTRATION NUMBER SC095071

**THE EDINBURGH SOCIETY OF MODEL
ENGINEERS LIMITED**

COMPANY LIMITED BY GUARANTEE

FINANCIAL STATEMENTS

31 AUGUST 2012

Charity Number SC041019



CHARLES BURROWS & CO

Chartered Accountants
7 Palmerston Place
Edinburgh
EH12 5AH

**THE EDINBURGH SOCIETY OF MODEL ENGINEERS LIMITED
COMPANY LIMITED BY GUARANTEE**

FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2012

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**THE EDINBURGH SOCIETY OF MODEL ENGINEERS LIMITED
COMPANY LIMITED BY GUARANTEE**

OFFICERS AND PROFESSIONAL ADVISERS

Registered charity name The Edinburgh Society of Model Engineers Limited

Charity number SC041019

Company registration number SC095071

Registered office 7 Palmerston Place
Edinburgh
EH12 5AH

Trustees Russell Ainslie
Phil Ogden
John Orr Clerk
Roger Clark
Roddy Watson
Alexander Wood

Secretary Roger Clark

Independent examiner David S Brown CA
Charles Burrows & Co
7 Palmerston Place
Edinburgh
EH12 5AH

THE EDINBURGH SOCIETY OF MODEL ENGINEERS LIMITED COMPANY LIMITED BY GUARANTEE

TRUSTEES ANNUAL REPORT

YEAR ENDED 31 AUGUST 2012

The trustees have pleasure in presenting their report and the unaudited financial statements of the charity for the year ended 31 August 2012.

REFERENCE AND ADMINISTRATIVE DETAILS

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

THE TRUSTEES

The trustees who served the charity during the period were as follows:

Russell Ainslie
Phil Ogden
John Orr Clerk
Roger Clark
Roddy Watson
Alexander Wood

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The organisation is a charitable company limited by guarantee, incorporated on 12 September 1985 and registered as a charity in Scotland on 9 November 2009. The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. In the event of the company going insolvent, the members are required to contribute £1 each.

Trustee recruitment and appointment

Trustees are those appointed in accordance with the Society's Articles of Association.

OBJECTIVES AND ACTIVITIES

The principal objective of the charity is to educate in, encourage and develop the skills and art of engineering through the construction of miniature, small scale and experimental prototype machines. To encourage the development of engineering knowledge in an atmosphere of mutual respect. To promote the understanding and appreciation of engineering and its history to general members of the public.

THE EDINBURGH SOCIETY OF MODEL ENGINEERS LIMITED COMPANY LIMITED BY GUARANTEE

TRUSTEES ANNUAL REPORT *(continued)*

YEAR ENDED 31 AUGUST 2012

ACHIEVEMENTS AND PERFORMANCE

The year has been defined by the need for the Society to find a new "home". A number of possibilities have been investigated and whilst a site near Linlithgow is being considered, finalisation appears some way off as negotiations are protracted.

During the year we have continued to hold various talks on safety valves, properties of different metals, including copper which is very important to us as we use it in boilers, and a talk from Lothian Buses on their history and the new environmentally friendly hybrid buses that use half the fuel of older buses.

This year we had a disabled children's day on our steam trains, we have been at three children's galas, two "Thomas the Tank" days at Bo'ness and eight days at "Santa" days at Bo'ness. Bo'ness is the centre of the Scottish Railway Preservation Society.

At our existing track we have some day and night running so that drivers may be trained in the use of lights and signals. In total we continue to have approximately 30 days per year running at public events such as Galas so that both children and adults may experience steam locomotives.

FINANCIAL REVIEW

Risk management

The trustees examine the major business and operational risks which the charity faces and have established systems to enable regular reports to be produced so that the necessary steps may be taken to lessen these risks.

Reserves policy

The trustees consider that there are sufficient reserves to meet the Society's financial commitments and to continue the ongoing programme of activities for the foreseeable future.

PLANS FOR FUTURE PERIODS

The trustees expect the present level of activity to be maintained in the next year. A further Trustee will be appointed at the AGM.

RESPONSIBILITIES OF THE TRUSTEES

The trustees (who are also the directors of the Edinburgh Society of Model Engineers Limited for the purposes of company law) are responsible for preparing the Trustees 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 trustees 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 trustees are 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;

**THE EDINBURGH SOCIETY OF MODEL ENGINEERS LIMITED
COMPANY LIMITED BY GUARANTEE**

TRUSTEES ANNUAL REPORT *(continued)*

YEAR ENDED 31 AUGUST 2012

RESPONSIBILITIES OF THE TRUSTEES *(continued)*

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

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. The trustees are 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

David S Brown CA of Charles Burrows & Co has been re-appointed as independent examiner for the ensuing year.

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

Registered office:
7 Palmerston Place
Edinburgh
EH12 5AH

Signed by order of the trustees



ROGER CLARK
Charity Secretary

12 November 2012

**THE EDINBURGH SOCIETY OF MODEL ENGINEERS LIMITED
COMPANY LIMITED BY GUARANTEE**

**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES AND MEMBERS OF
THE EDINBURGH SOCIETY OF MODEL ENGINEERS LIMITED**

YEAR ENDED 31 AUGUST 2012

I report on the accounts of the charity for the year ended 31 August 2012 set out on pages 7 to 13.

Respective responsibilities of trustees and independent examiner

The charity's trustees (who are also the Directors of the company for the purposes of company law) are responsible for the preparation of the accounts in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). The charity's trustees consider that the audit requirement of Regulation 10(1)(a) to (c) of the 2006 Accounts Regulations does not apply. It is my responsibility to examine the accounts as required under section 44(1)(c) of the Act, and to state whether particular matters have come to my attention.

Basis of independent examiner's statement

My examination is carried out in accordance with Regulation 11 of the 2006 Accounts Regulations. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeks explanations from the 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 respect 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

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

have not been met, or

**THE EDINBURGH SOCIETY OF MODEL ENGINEERS LIMITED
COMPANY LIMITED BY GUARANTEE**

**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES AND MEMBERS OF
THE EDINBURGH SOCIETY OF MODEL ENGINEERS LIMITED *(continued)***

YEAR ENDED 31 AUGUST 2012

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



David S Brown CA
Charles Burrows & Co
Independent examiner

7 Palmerston Place
Edinburgh
EH12 5AH

12 November 2012

**THE EDINBURGH SOCIETY OF MODEL ENGINEERS LIMITED
COMPANY LIMITED BY GUARANTEE**

**PROFIT AND LOSS ACCOUNT (INCORPORATING THE INCOME AND
EXPENDITURE ACCOUNT)**

YEAR ENDED 31 AUGUST 2012

	Note	Total Funds 2012 £	Total Funds 2011 £
INCOMING RESOURCES			
Incoming resources from generating funds:			
Voluntary income	2	9,625	9,205
Investment income	3	226	204
TOTAL INCOMING RESOURCES		<u>9,851</u>	<u>9,409</u>
RESOURCES EXPENDED			
Charitable activities	4/5	(5,064)	(4,817)
Governance costs	6	(1,080)	(1,200)
Other resources expended	7	1,250	—
TOTAL RESOURCES EXPENDED		<u>(4,894)</u>	<u>(6,017)</u>
NET INCOMING RESOURCES FOR THE YEAR/NET INCOME FOR THE YEAR	8	4,957	3,392
RECONCILIATION OF FUNDS			
Total funds brought forward		<u>23,544</u>	<u>20,152</u>
TOTAL FUNDS CARRIED FORWARD		<u>28,501</u>	<u>23,544</u>

The Profit and Loss Account 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 10 to 13 form part of these financial statements.

**THE EDINBURGH SOCIETY OF MODEL ENGINEERS LIMITED
COMPANY LIMITED BY GUARANTEE**

BALANCE SHEET

31 AUGUST 2012

	Note	2012 £	£	2011 £	£
FIXED ASSETS					
Tangible assets	10		2,267		1,236
CURRENT ASSETS					
Stocks	11	78		—	
Debtors	12	—		600	
Cash at bank		27,356		22,908	
		27,434		23,508	
CREDITORS: Amounts falling due within one year	13	(1,200)		(1,200)	
NET CURRENT ASSETS			26,234		22,308
TOTAL ASSETS LESS CURRENT LIABILITIES			28,501		23,544
NET ASSETS			28,501		23,544
FUNDS					
Unrestricted income funds	14		28,501		23,544
TOTAL FUNDS			28,501		23,544

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

The trustees acknowledge their responsibilities for:

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

These financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The Balance sheet continues on the following page.

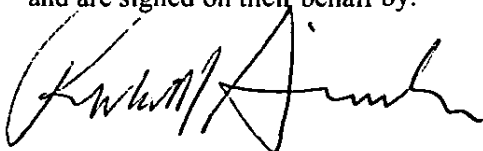
The notes on pages 10 to 13 form part of these financial statements.

**THE EDINBURGH SOCIETY OF MODEL ENGINEERS LIMITED
COMPANY LIMITED BY GUARANTEE**

BALANCE SHEET *(continued)*

31 AUGUST 2012

These financial statements were approved by the members of the committee on the 12 November 2012 and are signed on their behalf by:



RUSSELL AINSLIE



JOHN ORR CLERK

Company Registration Number: SC095071

The notes on pages 10 to 13 form part of these financial statements.

THE EDINBURGH SOCIETY OF MODEL ENGINEERS LIMITED COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2012

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention 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 Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Companies Act 2006, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

Donations

Donations are credited to financial statements when received by the charity.

Fund accounting

Unrestricted funds are those which can be used within the charity's objectives, at the discretion of the trustees.

Resources expended

Liabilities are recognised as resources expended as soon as there is a legal or constructive obligation committing the charity to the expenditure. Resources expended are accounted for on an accruals basis. Resources expended are allocated to the particular activity where the cost relates directly to that activity.

Expenditure includes any attributable VAT which cannot be recovered and is allocated between:

Charitable activities comprise costs incurred by the charity in the delivery of its services and activities.

Governance costs include costs associated with meeting the constitutional and statutory requirements of the charity and include independent examination fees and costs linked to the strategic management of the charity.

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:

25% straight line

Stocks

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

**THE EDINBURGH SOCIETY OF MODEL ENGINEERS LIMITED
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NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2012

2. VOLUNTARY INCOME

	Unrestricted Funds £	Total Funds 2012 £	Total Funds 2011 £
Donations			
Subscriptions	1,805	1,805	2,217
Portable Track Hire	4,658	4,658	4,247
Bus Trip	836	836	870
Scrap	58	58	415
Donations	1,753	1,753	1,456
Dinner	515	515	—
	<u>9,625</u>	<u>9,625</u>	<u>9,205</u>

3. INVESTMENT INCOME

	Unrestricted Funds £	Total Funds 2012 £	Total Funds 2011 £
Bank interest receivable	<u>226</u>	<u>226</u>	<u>204</u>

4. COSTS OF CHARITABLE ACTIVITIES BY FUND TYPE

	Unrestricted Funds £	Total Funds 2012 £	Total Funds 2011 £
Running miniature railway	<u>5,064</u>	<u>5,064</u>	<u>4,817</u>

5. COSTS OF CHARITABLE ACTIVITIES BY ACTIVITY TYPE

	Activities undertaken directly £	Total Funds 2012 £	Total Funds 2011 £
Running miniature railway	<u>5,064</u>	<u>5,064</u>	<u>4,817</u>

6. GOVERNANCE COSTS

	Unrestricted Funds £	Total Funds 2012 £	Total Funds 2011 £
Accountancy fees	<u>1,080</u>	<u>1,080</u>	<u>1,200</u>

**THE EDINBURGH SOCIETY OF MODEL ENGINEERS LIMITED
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NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2012

7. OTHER RESOURCES EXPENDED

	Unrestricted Funds £	Total Funds 2012 £	Total Funds 2011 £
(Gains)/losses on disposal of fixed assets	(1,250)	(1,250)	—

8. NET INCOMING RESOURCES FOR THE YEAR

This is stated after charging:

	2012 £	2011 £
Depreciation	969	642

9. PARTICULARS OF EMPLOYEES

No salaries or wages have been paid to employees, including the members of the committee, during the year.

During the year no trustees' expenses were paid out. (2011 - nil)

10. TANGIBLE FIXED ASSETS

	Equipment £
COST	
At 1 September 2011	19,776
Additions	2,000
Disposals	(1,250)
At 31 August 2012	20,526
DEPRECIATION	
At 1 September 2011	18,540
Charge for the year	969
On disposals	(1,250)
At 31 August 2012	18,259
NET BOOK VALUE	
At 31 August 2012	2,267
At 31 August 2011	1,236

11. STOCKS

	2012 £	2011 £
Stock	78	—

**THE EDINBURGH SOCIETY OF MODEL ENGINEERS LIMITED
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NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2012

12. DEBTORS

	2012 £	2011 £
Trade debtors	<u>—</u>	<u>600</u>

13. CREDITORS: Amounts falling due within one year

	2012 £	2011 £
Accruals	<u>1,200</u>	<u>1,200</u>

14. UNRESTRICTED INCOME FUNDS

	Balance at 1 Sept 2011 £	Incoming resources £	Outgoing resources £	Balance at 31 Aug 2012 £
General Funds	<u>23,544</u>	<u>9,851</u>	<u>(4,894)</u>	<u>28,501</u>

15. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Tangible fixed assets £	Net current assets £	Total £
Unrestricted Income Funds	<u>2,267</u>	<u>26,234</u>	<u>28,501</u>
Total Funds	<u>2,267</u>	<u>26,234</u>	<u>28,501</u>

16. RELATED PARTY TRANSACTIONS

The company was under the control of the trustees throughout the current and previous year.

No transactions with related parties were undertaken such as are required to be disclosed under Financial Reporting Standard for Smaller Entities (effective April 2008).

17. COMPANY LIMITED BY GUARANTEE

The company is limited by guarantee.

**THE EDINBURGH SOCIETY OF MODEL ENGINEERS LIMITED
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MANAGEMENT INFORMATION

YEAR ENDED 31 AUGUST 2012

**The following pages do not form part of the statutory financial statements
which are the subject of the independent examiner's report on pages 5 to 6.**

**THE EDINBURGH SOCIETY OF MODEL ENGINEERS LIMITED
COMPANY LIMITED BY GUARANTEE**

DETAILED PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 AUGUST 2012

	2012 £	2011 £
INCOMING RESOURCES		
VOLUNTARY INCOME		
Subscriptions	1,805	2,217
Portable Track Hire	4,658	4,247
Bus Trip	836	870
Scrap	58	415
Donations	1,753	1,456
Dinner	515	—
	<u>9,625</u>	<u>9,205</u>
INVESTMENT INCOME		
Bank interest receivable	226	204
	<u>226</u>	<u>204</u>
TOTAL INCOMING RESOURCES	<u>9,851</u>	<u>9,409</u>
RESOURCES EXPENDED		
CHARITABLE ACTIVITIES		
Rent	1,171	1,029
Repairs and maintenance	185	190
Insurance	959	1,040
Motor vehicle expenses	225	177
Vehicle leasing/hire charges	816	853
Office expenses	96	53
Depreciation	969	642
Admin and petty cash expenses	29	389
Subscriptions	114	79
Catering	500	166
Building repairs	—	199
	<u>5,064</u>	<u>4,817</u>
GOVERNANCE COSTS		
Accountancy fees	1,080	1,200
	<u>1,080</u>	<u>1,200</u>
OTHER RESOURCES EXPENDED		
(Gains)/losses on disposal of fixed assets	(1,250)	—
	<u>(1,250)</u>	<u>—</u>
TOTAL RESOURCES EXPENDED	<u>4,894</u>	<u>6,017</u>
NET INCOMING RESOURCES FOR THE YEAR	<u>4,957</u>	<u>3,392</u>

**THE EDINBURGH SOCIETY OF MODEL ENGINEERS LIMITED
COMPANY LIMITED BY GUARANTEE**

DETAILED PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 AUGUST 2012

	2012 £	2011 £
CHARITABLE ACTIVITIES		
Running miniature railway		
<i>Activities undertaken directly</i>		
Rent	1,171	1,029
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