

**SHEFFIELD METALLURGICAL AND ENGINEERING ASSOCIATION (SMEA)**  
(a company limited by guarantee)

**DIRECTORS' AND TRUSTEES' REPORT AND UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30TH JUNE 2010**

**Charity Number: 1023003**  
**Company Registered Number: 02830671**

**WEST AND FOSTER**  
**CHARTERED ACCOUNTANTS**

WEDNESDAY



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# **SHEFFIELD METALLURGICAL AND ENGINEERING ASSOCIATION (SMEA)**

## **COMPANY INFORMATION**

**CHARITY NUMBER** 1023003

**COMPANY NUMBER** 02830671

**DIRECTORS AND TRUSTEES**  
R P Stratton  
K A Ridal  
A Partridge  
M J Steeper  
R P Thackray

**SECRETARY** K A Ridal

**REGISTERED OFFICE**  
48 Stone Delf  
Fulwood  
Sheffield  
S10 3QX

**BANKERS**  
HSBC Bank plc  
PO Box 33  
2 Fargate  
Sheffield  
S1 2JS

**ACCOUNTANTS**  
West and Foster  
Chartered Accountants  
2 Broomgrove Road  
Sheffield  
S10 2LR

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**SHEFFIELD METALLURGICAL AND ENGINEERING ASSOCIATION (SMEA)**

**ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30TH JUNE 2010**

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## **SHEFFIELD METALLURGICAL AND ENGINEERING ASSOCIATION (SMEA)**

### **REPORT OF THE MANAGEMENT COMMITTEE FOR THE YEAR ENDED 30TH JUNE 2010 (Incorporating the Directors' Report)**

The Management Committee present their annual report and the financial statements for the year ended 30th June 2010. The Management Committee have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (revised March 2005) in preparing the annual report and financial statements of the charity.

#### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

##### Governing Document

SMEA Limited is a charitable company limited by guarantee. It was incorporated with Memorandum and Articles of Association, on 22nd June 1993. The organisation also registered as a charity on 23rd June 1993.

The company has no share capital. The guarantee of each member is limited to £1.

##### Appointment of Management Committee

The directors of the company are also charity trustees for the purposes of charity law and under the company's Articles are known as members of the Management Committee.

##### Risk Management

The trustees actively review the major risks which the charity faces on a regular basis and believe that maintaining reserves at current levels, combined with an annual review of the controls over key financial systems, will provide sufficient resources in the event of adverse conditions. The trustees have also examined other operational and business risks faced by the charity and confirm that they have established systems to mitigate the significant risks.

##### Related Parties

The charity has one wholly owned trading subsidiary, SMEA Events Limited, a company incorporated in the UK. The trading activity principally relates to the organisation of conferences, lectures and other fund raising events. The results for the year of the trading subsidiary are incorporated into the consolidated statements of financial activities.

#### **OBJECTIVES AND ACTIVITIES**

The principal objectives of the charity are to educate and instruct the public by the provision and furtherance of the study of metallurgical, engineering and allied industries in Sheffield and neighbouring areas within South Yorkshire and North East Derbyshire and generally to promote and develop all aspects of the science, technology and use of metals and the practice of metallurgy and to advance education, research and learning in these subjects.

## **SHEFFIELD METALLURGICAL AND ENGINEERING ASSOCIATION (SMEA)**

### **REPORT OF THE MANAGEMENT COMMITTEE FOR THE YEAR ENDED 30TH JUNE 2010 (Incorporating the Directors' Report) - continued**

#### **DEVELOPMENTS, ACTIVITIES AND ACHIEVEMENTS**

The 2009-2010 Lecture Programme was well attended with an average audience of 88. The format was similar to recent years and the Lecture Programme was supplemented with a Quiz Night, Members Dinner, Annual Dinner at the Cutlers' Hall and Guest Night at Sheffield Town Hall.

Thirty members visited Castings Technology International and saw the state-of-art facilities for the manufacture of complex components for critical applications.

The Annual Conference and Exhibition was held on 21-22 June at the Endcliffe Conference Centre, University of Sheffield on the theme 'Advances in Metals Manufacturing Technologies' and despite the economic situation attracted 82 delegates. The National Metals Technology Centre supported the exhibition and promoted the event. Mark White of Jaguar Land Rover presented the Celebrity Lecture 'Cars nor Cans' and demonstrated the advantages of aluminium for the manufacture of prestige vehicles.

SMEA continued to support The Hatfield Memorial Lecture, Open Industry and the Sheffield Museums Industrial Trust. Educational initiatives included awarding Student Prizes, Travel Awards and support for Young Engineer for Britain.

A cautious approach was taken regarding financial exposure from the Annual Dinner and other social events. However, income from the Association's investment portfolio remained stable and results from SMEA Events was similar to 2008-9.

#### **FINANCIAL REVIEW**

The results for the year are shown on pages 5 and 6 of the financial statements. The trustees consider the financial position to be satisfactory.

#### **Principal Funding Sources**

The charitable company derives most of its income from its subsidiary company SMEA Events Limited. The whole of the profits of this company are remitted annually to SMEA by deed of covenant.

#### **Investment Policy**

The charitable company holds a substantial portfolio of investment assets in the form of UK and overseas equities and funds. Appropriate professional advice is taken on a regular basis and the portfolio is periodically realigned to take account of the recommendations of the charitable company's investment advisors.

## **SHEFFIELD METALLURGICAL AND ENGINEERING ASSOCIATION (SMEA)**

### **REPORT OF THE MANAGEMENT COMMITTEE FOR THE YEAR ENDED 30TH JUNE 2010 (Incorporating the Directors' Report) - continued**

#### **RESERVES POLICY**

The Management Committee has reviewed the reserves of the charity in line with Charity Commission guidance. This included analysing existing funds, considering possible future funding and taking in the expenditure to which the organisation will be committed. Should it become necessary to wind up the company, the reserves would enable the company to meet its obligations to beneficiaries, suppliers and others.

#### **RESPONSIBILITIES OF THE MANAGEMENT COMMITTEE**

Company law requires the management committee to prepare financial statements for each financial year that give a true and fair view of the financial activities of the charitable company as at the balance sheet date, and of its incoming resources and application of resources for the financial year. In preparing those financial statements the management committee are required to

- select suitable accounting policies and apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- adopt accounting policies that are in accordance with the Companies Act 2006 and with applicable accounting standards and statements of recommended practice, subject to any material departures and disclosures explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to assume that the charity will continue in operation.

The Management Committee is responsible for keeping adequate accounting records which 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. It is also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **MEMBERS OF THE MANAGEMENT COMMITTEE**

Members of the Management Committee, who are directors for the purpose of company law and trustees for the purpose of charity law, who served during the year and up to the date of this report are set out on the company information page.

#### **APPROVAL**

This report has been prepared in accordance with the Statement of Recommended Practice Accounting and Reporting by Charities (issued in March 2005) and in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small entities.

Approved by the Management Committee on 7<sup>th</sup> March 2011 and signed on its behalf by



Dr K A Ridal

**INDEPENDENT EXAMINER'S REPORT TO THE DIRECTORS  
ON THE UNAUDITED FINANCIAL STATEMENTS OF  
SHEFFIELD METALLURGICAL AND ENGINEERING ASSOCIATION (SMEA)**

I report on the financial statements for the year ended 30th June 2010, set out on pages 5 to 11

**Respective responsibilities of directors and examiner**

The trustees, who are also the directors of the company for the purposes of company law, are responsible for the preparation of the accounts. The trustees consider that an audit is not required for this year under section 43(2) of the Charities Act 1993, the 1993 Act, and that an independent examination is needed,

- i) to examine the accounts under section 43 of the 1993 Act,
- ii) to follow the procedures laid down in the general Directions given by the Charity Commission under section 43(7)(b) of the 1993 Act, and
- iii) to state whether particular matters have come to my attention

**Basis of independent examiner's report**

My examination was carried out in accordance with the general Directions given by the Charity Commission. 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 seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below

**Independent examiner's statement**

In connection with my examination, no matter has come to my attention

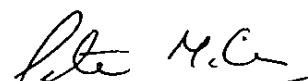
(a) which gives me reasonable cause to believe that in any material respect the requirements

(i) to keep accounting records in accordance with section 386 of the Companies Act 2006, and

(ii) to prepare accounts which accord with the accounting records, comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice Accounting and Reporting by Charities

have not been met, or

(b) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached



Peter Miles ACA  
Chartered Accountant

For and on behalf of  
WEST AND FOSTER

SHEFFIELD  
7<sup>th</sup> March 2011

# SHEFFIELD METALLURGICAL AND ENGINEERING ASSOCIATION (SMEA)

## CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (including Income and Expenditure Account)

YEAR ENDED 30TH JUNE 2010

	Notes	The Group		The Charity	
		2010	2009	2010	2009
		£	£	£	£
<b>INCOMING RESOURCES</b>					
<b>Incoming resources from generated funds</b>					
Voluntary income					
Donations and grants	2	3,476	3,974	3,476	3,974
Subscriptions		764	760	764	760
<b>Investment income</b>					
Interest receivable		8	147	8	147
Income from listed investments		13,692	13,219	13,692	13,219
Income from subsidiary		-	-	6,743	8,008
<b>Incoming resources from charitable activities</b>					
Events	3	24,557	29,143	-	-
<b>Total incoming resources</b>		<b>42,497</b>	<b>47,243</b>	<b>24,683</b>	<b>26,108</b>
<b>RESOURCES EXPENDED</b>					
Charitable activities	4	23,629	27,235	6,630	6,900
Governance costs	4	8,048	8,516	7,233	7,716
<b>Total resources expended</b>		<b>(31,677)</b>	<b>(35,751)</b>	<b>(13,863)</b>	<b>(14,616)</b>
<b>Net incoming resources</b>		<b>10,820</b>	<b>11,492</b>	<b>10,820</b>	<b>11,492</b>
<b>OTHER RECOGNISED GAINS/(LOSSES)</b>					
Gains/(losses) on investment assets					
- realised	5	553	(1,172)	553	(1,172)
- unrealised	5	39,926	(31,391)	39,926	(31,391)
<b>Net movement in funds</b>	10	<b>51,299</b>	<b>(21,071)</b>	<b>51,299</b>	<b>(21,071)</b>
<b>Reconciliation of funds</b>					
Total funds brought forward	10	348,453	369,524	340,234	361,305
<b>Total funds carried forward</b>	10	<b>£399,752</b>	<b>£348,453</b>	<b>£391,533</b>	<b>£340,234</b>

All income and expenditure derive from unrestricted funds which can be applied to any of the charitable company's objects

The statement of financial activities includes all gains and losses in the year. All incoming resources and resources expended derive from continuing activities.

The notes on pages 7 to 11 form part of these financial statements.



**BALANCE SHEET**  
**30TH JUNE 2010**

CONTINUED 2010

		The Group		The Charity	
	Notes	2010 £	2009 £	2010 £	2009 £
<b>FIXED ASSETS</b>					
President's badge		500	500	500	500
Investments	5	374,630	317,602	374,635	317,607
		<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
		375,130	318,102	375,135	318,107
<b>CURRENT ASSETS</b>					
Debtors	7	4,841	14,123	800	12,390
Cash at bank and in hand		21,786	28,739	17,689	21,448
		<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
		26,627	42,862	18,489	33,838
<b>CREDITORS:</b> Amounts falling due within one year	8	(2,005)	(12,511)	(2,091)	(11,711)
		<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>NET CURRENT ASSETS</b>		24,622	30,351	16,398	22,127
		<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>NET ASSETS</b>		£399,752	£348,453	£391,533	£340,234
		<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>FUNDS</b>					
Unrestricted funds	10	399,752	348,453	391,533	340,234
		<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>TOTAL UNRESTRICTED FUNDS</b>		£399,752	£348,453	£391,533	£340,234
		<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

These accounts have been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006

For the financial year ended 30th June 2010 the company was entitled to exemption from audit under section 477 Companies Act 2006, and no notice has been deposited under section 476

The directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with section 386 and for preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to accounts, so far as applicable to the company

The financial statements on pages 5 to 11 were approved and authorised for issue by the Board of Directors on 7<sup>th</sup> March 2011 and signed on its behalf by



Dr R P Stratton – Director



Dr K A Ridal - Director

## **SHEFFIELD METALLURGICAL AND ENGINEERING ASSOCIATION (SMEA)**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2010**

#### **1. ACCOUNTING POLICIES**

##### **(a) Basis of accounting**

These financial statements have been prepared under the historical cost convention and in accordance with the Charities Act 1993, Companies Act 2006 and the Statement of Recommended Practice Accounting and Reporting by Charities issued in March 2005

The charity has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cashflow statement on the grounds that it qualifies as a small charity

##### **(b) Fund accounting**

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity

Designated funds are unrestricted funds earmarked by the Management Committee for particular purposes

Restricted funds are subjected to restrictions on their expenditure imposed by the donor or through the terms of an appeal

##### **(c) Incoming resources**

All incoming resources are included in the statement of financial activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income

Voluntary income is received by way of grants, donations and gifts and is included in full in the Statement of Financial Activities when receivable. Grants, where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant

Subscriptions, represent annual fees derived from members and are accounted for when receivable

Investment income is included when receivable

Incoming resources from charitable trading activity are accounted for when earned

##### **(d) Resources Expended**

Expenditure which excludes recoverable VAT, is recognised on an accruals basis as a liability is incurred

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities, including the costs of events, and services for its beneficiaries. It includes both costs that can be allocated directly to such services and those costs of an indirect nature necessary to support them

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include all fees and costs linked to the strategic management of the charity

# SHEFFIELD METALLURGICAL AND ENGINEERING ASSOCIATION (SMEA)

## NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 30TH JUNE 2010

### (e) Group Financial Statements

These financial statements consolidate the results of the charity and its wholly owned subsidiary SMEA Events Limited

### (f) Investments

Listed fixed assets investments are shown in the balance sheet at current market value. Realised and unrealised gains arising from investments are shown in the statement of financial activities.

Investment in the subsidiary company is stated at cost

	Total 2010 £	Total 2009 £
<b>2. GRANTS RECEIVED</b>		
Institute of Materials	<b>£3,476</b>	<b>£3,974</b>

### 3. INCOME AND EXPENDITURE OF TRADING SUBSIDIARY

The charity has one wholly owned trading subsidiary, SMEA Events Limited, a company incorporated in the UK. The trading activity principally relates to the organisation of conferences, lectures and other fund raising events. The results for the year of the trading subsidiary are incorporated into the consolidated statement of financial activities.

### 4. TOTAL RESOURCES EXPENDED

The Group	Charitable Activities £	Governance £	Total 2010 £	Total 2009 £
Events costs	<b>16,999</b>	-	<b>16,999</b>	20,335
Prizes and donations	<b>6,630</b>	-	<b>6,630</b>	6,900
Legal and professional fees	-	<b>247</b>	<b>247</b>	232
Meeting, lecture and miscellaneous expenses	-	<b>4,852</b>	<b>4,852</b>	5,644
Postage and telephone	-	<b>415</b>	<b>415</b>	330
Printing and stationery	-	<b>746</b>	<b>746</b>	492
Independent examiners' fees	-	<b>1,600</b>	<b>1,600</b>	1,600
Treasurer's and Secretary's expenses	-	<b>188</b>	<b>188</b>	218
	<b>£23,629</b>	<b>£8,048</b>	<b>£31,677</b>	<b>£35,751</b>

# SHEFFIELD METALLURGICAL AND ENGINEERING ASSOCIATION (SMEA)

## NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 30TH JUNE 2010

### 4. TOTAL RESOURCES EXPENDED (CONTINUED)

The Charity	Charitable Activities £	Governance £	Total 2010 £	Total 2009 £
Prizes and donations	6,630	-	6,630	6,900
Legal and professional fees	-	232	232	232
Meeting, lecture and miscellaneous expenses	-	4,852	4,852	5,644
Postage and telephone	-	415	415	330
Printing and stationery	-	746	746	492
Independent examiners fees	-	800	800	800
Treasurer's and Secretary's expenses	-	188	188	218
	<u>£6,630</u>	<u>£7,233</u>	<u>£13,863</u>	<u>£14,616</u>

### 5. FIXED ASSET INVESTMENTS

	The Group £	The Charity £
<b>(i) Interest in subsidiary undertaking at cost</b>		
At 1st July 2009 and 30th June 2010 (note 6)	-	5
<b>(ii) UK Listed investments, at market value</b>		
At 1st July 2009	317,602	317,602
Additions in year	70,488	70,488
Disposals in year - proceeds	(53,939)	(53,939)
- realised gains on disposals	553	553
Unrealised gains on revaluation	39,926	39,926
	<u>£374,630</u>	<u>£374,635</u>
<b>At 30th June 2010</b>	<b>£374,630</b>	<b>£374,635</b>

UK Listed investments were valued at the year end by Rensburg Sheppards Investment Management Limited on the basis of mid-market prices from the appropriate stock exchange and are held by the charity primarily to provide investment return

### 6. INVESTMENT IN SUBSIDIARY UNDERTAKINGS

	2010	2009
The company's investment in a subsidiary is as follows		
100% of issued ordinary share capital of SMEA Events Limited	<u>£5</u>	<u>£5</u>

SMEA Events Limited, a company registered in England and Wales, is solely involved in fund raising for SMEA. This company has net assets at 30th June 2010 and 2009 of £8,224. The whole of the profits of this company are remitted to SMEA under the terms of a deed of covenant.

## SHEFFIELD METALLURGICAL AND ENGINEERING ASSOCIATION (SMEA)

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 30TH JUNE 20107. **DEBTORS:** Amounts falling due within one year

	<b>The Group</b>		<b>The Charity</b>	
	<b>2010</b>	<b>2009</b>	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade debtors	4,041	13,541	-	-
Amounts due by subsidiary undertaking	-	-	-	11,808
Other debtors and prepayments	800	582	800	582
	<u>£4,841</u>	<u>£14,123</u>	<u>£800</u>	<u>£12,390</u>

8. **CREDITORS:** Amounts falling due within one year

	<b>The Group</b>		<b>The Charity</b>	
	<b>2010</b>	<b>2009</b>	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Amounts owing to subsidiary undertaking	-	-	886	-
Value Added Tax	222	530	222	530
Accruals and other creditors	1,783	11,981	983	11,181
	<u>£2,005</u>	<u>£12,511</u>	<u>£2,091</u>	<u>£11,711</u>

9. **CAPITAL**

The company is a company limited by guarantee not having a share capital. Every member of the company undertakes to contribute a sum not exceeding £1 if the company has insufficient assets to discharge its liabilities in the event of winding up.

Accordingly, the company has no share capital and no reconciliation of movements in shareholders' funds has been presented. However, movements on unrestricted funds are reconciled in note 10 of the financial statements.

10. **FUNDS****Unrestricted funds**

	<b>Capital</b>	<b>Revenue</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>The Group</b>			
As at 1st July 2009	29,418	319,035	348,453
Net movement in funds	-	51,299	51,299
	<u>£29,418</u>	<u>£370,334</u>	<u>£399,752</u>
<b>As at 30th June 2010</b>			
	<u>£29,418</u>	<u>£362,115</u>	<u>£391,533</u>
<b>The Charity</b>			
As at 1st July 2009	29,418	310,816	340,234
Net movement in funds	-	51,299	51,299
	<u>£29,418</u>	<u>£362,115</u>	<u>£391,533</u>
<b>As at 30th June 2010</b>			
	<u>£29,418</u>	<u>£362,115</u>	<u>£391,533</u>

**SHEFFIELD METALLURGICAL AND ENGINEERING ASSOCIATION (SMEA)****NOTES TO THE FINANCIAL STATEMENTS - Continued**  
**YEAR ENDED 30TH JUNE 2010****11. ULTIMATE CONTROLLING PARTY**

The directors also have control over the company's subsidiary undertaking, SMEA Events Limited. As permitted, transactions with this company have not been disclosed in these financial statements as they have been eliminated upon consolidation.

**12. DIRECTORS' REMUNERATION AND EXPENSES**

None of the directors received any remuneration. Expenses reimbursed to the treasurer and secretary are disclosed in note 4.