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SHEFFIELD METALLURGICAL AND ENGINEERING ASSOCIATION ("SMEA")

(A company limited by guarantee not having a share capital)

REPORTS AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2000

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DAVID BOOKER & Co
CHARTERED ACCOUNTANTS



SHEFFIELD METALLURGICAL AND ENGINEERING ASSOCIATION ("SMEA")

(A company limited by guarantee not having a share capital)

COMPANY INFORMATION

DIRECTORS:

Dr R. P. Stratton
Dr R. A. E. Hooper
Dr K. A. Ridal
Professor J. H. Beynon
Dr K. N. Melton

SECRETARY:

Dr K. A. Ridal

REGISTERED OFFICE:

48 Stone Delf
Fulwood
Sheffield
S10 3QX

REGISTERED NUMBER:

2830671

**REGISTERED CHARITY
NUMBER:**

1023003

AUDITORS:

David Booker & Co
98 Trippet Lane
Sheffield
S1 4EL

BANKERS:

Midland Bank plc
P O Box 33
2 Fargate
Sheffield
S1 2JS

SOLICITORS:

Ashington Denton
North Church House
84 Queen Street
Sheffield
S1 2DW

SHEFFIELD METALLURGICAL AND ENGINEERING ASSOCIATION ("SMEA")

(A company limited by guarantee not having a share capital)

DIRECTORS' REPORT

The directors present their report and the audited financial statements for the year ended 30 June 2000.

CHARITY OBJECTIVES

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 aspect of the science technology and use of metals and the practice of metallurgy and to advance education research and learning in these subjects.

The company is limited by guarantee and is a registered charity, number 1023003

REVIEW OF THE CHARITY'S ACTIVITIES AND FUTURE DEVELOPMENTS

SMEA organised a strong lecture programme by recognised expert, which was well attended. In addition, there was a visit to the British Midland Engineering Maintenance Facility at Donington, Annual Dinner at the Cutlers' Hall, a Members Evening and a Quiz Night. The Association continued to support the Hatfield Memorial Lecture.

A Civic Reception and Dinner at Sheffield Town Hall was organised with the encouragement of The Lord Mayor, Dr Trevor Bagshaw. The theme of the event was "The Future for Steel and Engineering in Sheffield" and brought together civic leaders, representatives of local industry and the Sheffield Universities

A two day Conference and Exhibition was held at The University of Sheffield on the theme "Advances in Continuous Casting Technology" and attracted 195 delegates and 12 exhibitors. This was combined with a public lecture by Mr John Bryant, Chief Executive, Corus Group plc titled "Integration for Solutions", in which he explained the rationale of the merger of British Steel and Hoogovens.

SMEA continued to support "Young Engineer for Britain" and The Institute of Materials National Lecture Competition. The Department of Engineering Materials, The University of Sheffield failed to take advantage of entry scholarships, which had been offered and therefore the support for Student Travel Awards was increased and a donation made to the Industrial Trust.

The Charity's consolidated statement of financial activities for the period ended 30 June 2000 is set out on page 5. Unrestricted fund balances at 30 June 2000 were £270,354 (1999 – £232,967).

Subject to the continued flow of unrestricted funds the directors are confident that the Charity has sufficient assets to fulfil its current and anticipated obligations.

Investment purchases of £37,936 (1999 – £34,488) have been made in accordance with the powers in the memorandum and articles of association.

To facilitate the operation of a seasonal business, the directors have entered into an agreement with SMEA, whereby there is a facility for inter-company loans free of interest and repayable on demand.

The financial statements incorporate the net profits of £17,573 (1999 – £10,750) from the fund raising activities of SMEA Events Limited. These funds have been covenanted by SMEA Events Limited, a trading company established by SMEA to undertake non-charitable trading.

FUNDS

There are no restricted or designated funds.

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 profit or loss 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
- 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 keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to 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.

DIRECTORS

The directors of the company at 30 June 2000 are listed on page 1.

AUDITORS

In accordance with Section 385 of the Companies Act 1985 a resolution to re-appoint David Booker & Co., as auditors to the company will be proposed at the forthcoming Annual General Meeting.

BY ORDER OF THE BOARD



DR K. A. RIDAL
Secretary

31 October 2000

AUDITORS' REPORT TO THE SHAREHOLDERS OF

SHEFFIELD METALLURGICAL AND ENGINEERING ASSOCIATION ("SMEA")

(A company limited by guarantee not having a share capital)

We have audited the financial statements on pages 5 to 10 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

RESPECTIVE RESPONSIBILITIES OF DIRECTOR AND AUDITORS

As described on page 3, the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

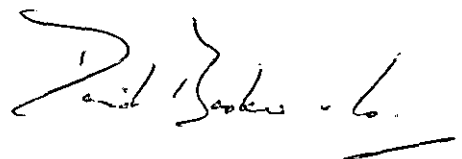
BASIS OF OPINION

We conducted our audit in accordance with 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 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 the company's and group's affairs as at 30 June 2000 and of the incoming resources and application of the resources of the group for the year then ended and have been properly prepared in accordance with the Companies act 1985.



DAVID BOOKER & CO

Chartered Accountants
Registered Auditors

Sheffield

31 October 2000

SHEFFIELD METALLURGICAL AND ENGINEERING ASSOCIATION ("SMEA")

(A company limited by guarantee not having a share capital)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**FOR THE YEAR ENDED 30 JUNE 2000**

	Note	<u>2000</u> £	<u>1999</u> £
INCOME AND EXPENDITURE			
Income resources			
Subscriptions		720	714
Grants receivable	2	1,232	2,120
Investment income		8,721	8,065
Net income of trading subsidiary	3	17,573	10,750
Total incoming resources		<u>28,246</u>	<u>21,649</u>
Resources used			
Grants, prizes and donations		5,852	8,079
Administration	4	3,939	2,675
Total resources expended		<u>9,791</u>	<u>10,754</u>
Net incoming resources		18,455	10,895
Gains on investment assets – realised	5	406	(2,523)
unrealised	5	18,526	9,495
Net movement in funds after unrealised gains		<u>37,387</u>	<u>17,867</u>
Fund balances brought forward at 1 July 1999		<u>232,967</u>	<u>215,100</u>
Fund balances carried forward at 30 June 2000		<u><u>270,354</u></u>	<u><u>232,967</u></u>

All the above items are in respect of continuing operations and relate to unrestricted funds.

There is no difference between the net incoming resources stated above and their historical cost equivalent

The reserves are unrestricted and may be applied towards any of the Charity's objects.


SHEFFIELD METALLURGICAL AND ENGINEERING ASSOCIATION ("SMEA")

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BALANCE SHEET – 30 JUNE 2000

	<u>Notes</u>	<u>The Group</u>		<u>The Charity</u>	
		<u>2000</u>	<u>1999</u>	<u>2000</u>	<u>1999</u>
		£	£	£	£
FIXED ASSETS					
Presidents badge		500	500	500	500
Investments	5	244,327	213,076	244,332	213,081
		<u>244,827</u>	<u>213,576</u>	<u>244,832</u>	<u>213,581</u>
CURRENT ASSETS					
Debtors	7	14,568	8,120	12,839	4,547
Cash at bank and in had		39,279	13,652	7,544	7,220
		<u>53,847</u>	<u>21,772</u>	<u>20,382</u>	<u>11,767</u>
CREDITORS –					
Amounts falling due within one year	8	(28,320)	(2,381)	(3,080)	(600)
NET CURRENT ASSETS		<u>25,527</u>	<u>19,391</u>	<u>17,303</u>	<u>11,167</u>
NET ASSETS		<u>270,354</u>	<u>232,967</u>	<u>262,135</u>	<u>206,881</u>
FUNDS					
Capital	10	29,418	29,418	29,418	29,418
Revenue	10	240,936	203,549	232,717	195,330
		<u>270,354</u>	<u>232,967</u>	<u>262,135</u>	<u>224,748</u>

The financial statements were approved by the Board of Directors on 31 October 2000 and were signed on its behalf by:

.....  Dr R. P. STRATTON)

.....  Dr K. A. RIDAL)
Directors)

SHEFFIELD METALLURGICAL AND ENGINEERING ASSOCIATION ("SMEA")

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2000

1. PRINCIPAL ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable Accounting standards and the Statement of Recommended Practice on Accounting by Charities issued by the Charity Commission and The Accounting Standards Board ("the revised SORP"). A summary of the more important accounting policies, which have been applied consistently, is set out below:

Basis of accounting

The financial statements are prepared in accordance with the historical cost convention.

Basis of consolidation

The consolidated statement of financial activities and balance sheet include the financial statements of the charity and its subsidiary undertaking made up to 30 June 2000.

Cash flow statement

The group qualifies as a small group under the terms of Section 247 of the Companies Act 1985. As a consequence, it is exempt from the requirement to publish a cash flow statement.

Fixed asset investments

Fixed asset 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.

Income

Subscriptions, grants and income from listed investment are credited to the income and expenditure account in the period in which they are received. Other income is credited on an accruals basis.

2. GRANTS

Grants of £1,070 (1999 – £1,020) were received from the Institute of Materials to which the Charity is affiliated to enable the Charity to pursue its objects. Other grants of £162 (1999 – £1,100) were also received during the year.

3. NET INCOME OF TRADING SUBSIDIARY

The charity has one wholly owned trading subsidiary, SMEA Events Limited, a company incorporated in the U.K. The trading activity principally relates to the organisation of conferences, lectures and other fund raising events.

3. NET INCOME OF TRADING SUBSIDIARY – Continued

The profit and loss account of SMEA Events Ltd., is as follows:

	<u>2000</u> £	<u>1999</u> £
Turnover	54,048	25,591
Cost of sales	(35,835)	(14,196)
Gross profit	18,213	11,395
Administration	(640)	(645)
Net profit before covenant	17,573	10,750
Covenant to SMEA	17,573	10,750
Profit retained	-	-

4. ADMINISTRATION COSTS

	<u>2000</u> £	<u>1999</u> £
Public Relations/Marketing/Communications	2,971	1,840
Other	968	835
	<u>3,939</u>	<u>2,675</u>
Administration costs include:		
Auditors' remuneration	1,200	1,200
Directors' emoluments	-	-

5. FIXED ASSET INVESTMENTS

	<u>The Group</u> <u>2000</u> £	<u>The Charity</u> <u>2000</u> £
i) Interest in subsidiary undertaking, at cost:		
At beginning and end of year	-	5
ii) Other listed investments, at market value:		
At beginning of year	213,076	213,076
Additions	37,936	37,936
Disposals - proceeds	(25,617)	(25,617)
- realised gains on disposal	406	406
Unrealised gains on revaluation	18,526	18,526
	<u>244,327</u>	<u>244,327</u>
Total fixed assets investments	<u>244,327</u>	<u>244,332</u>

6. INVESTMENT IN SUBSIDIARY UNDERTAKINGS

	<u>2000</u>	<u>1999</u>
	£	£
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 had net assets at 30 June 2000 and 1999 of £8,224. The whole of the profits of this company are remitted to SMEA under the terms of a deed of covenant.

7. DEBTORS – Amounts falling due within one year:

	<u>The Group</u>		<u>The Charity</u>	
	<u>2000</u>	<u>1999</u>	<u>2000</u>	<u>1999</u>
	£	£	£	£
Trade debtors	12,997	4,427	100	-
Income tax recoverable	1,361	3,679	1,361	3,679
Value added tax	210	14	210	14
Amounts due by subsidiary undertaking	-	-	11,168	854
	<u>14,568</u>	<u>8,120</u>	<u>12,839</u>	<u>4,547</u>

8. CREDITORS – Amounts falling due within one year:

	<u>The Group</u>		<u>The Charity</u>	
	<u>2000</u>	<u>1999</u>	<u>2000</u>	<u>1999</u>
	£	£	£	£
Trade creditors	23,729	121	2,480	-
Value added tax	3,391	1,060	-	-
Accruals	1,200	1,200	600	600
	<u>28,320</u>	<u>2,381</u>	<u>3,080</u>	<u>600</u>

9. CAPITAL

The company is a company limited by guarantee not having a share capital. Accordingly, the company has no shareholders and no reconciliation of movements in shareholders' funds has been presented.

10. RESERVES

	<u>Capital</u>	<u>Revenue</u>	<u>Total</u>
The Group	£	£	£
At beginning of year	29,418	203,549	232,967
Surplus for year	-	37,387	37,387
	<hr/>	<hr/>	<hr/>
At end of year	<u>29,418</u>	<u>240,936</u>	<u>270,354</u>
 The Charity			
At beginning of year	29,418	195,330	224,748
Surplus for year	-	37,387	37,387
	<hr/>	<hr/>	<hr/>
At end of year	<u>29,418</u>	<u>232,717</u>	<u>262,135</u>

11. ULTIMATE CONTROLLING PARTY AND RELATED PARTY TRANSACTIONS

The directors listed on page 1 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. FILING EXEMPTION

Exemption from the requirement to file the parent company's individual profit and loss account is claimed under section 230 Companies Act 1989. The net profit of the parent company for the year ended 30 June 2000 was £37,387 (1999 – £17,867).