

Res. Co. Ltd.

**A.S.I. (RESEARCH) LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 1999**

**Company number: 01553005**



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COMPANIES HOUSE 18/07/00

FRASER RUSSELL  
4 London Wall Buildings  
Blomfield Street  
LONDON EC2M 5UQ

**A.S.I. (RESEARCH) LIMITED****REPORT OF THE DIRECTORS****For the year ended 30 September 1999**

The Directors have pleasure in submitting the Annual Report and Financial Statements for the year ended 30 September 1999.

**Results**

The profit for the year was £9,533 (1998 : £19,579). It is proposed that the profit will be transferred to reserves.

**Review of business**

The Company's principal activities during the period continued to be the promotion and advancement of economic research and the raising of funds for this purpose.

**Directors and their interests**

The Directors of the Company during the year were as follows:-

Dr. D.M. Pirie  
Dr. E. Butler  
Sir Austin Bide

Each of the Directors held one ordinary share in the company throughout the period.

**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 profit or loss of the company for that period. In preparing these 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 accounts 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 prevention and detection of fraud and other irregularities.

**A.S.I. (RESEARCH) LIMITED**

**REPORT OF THE DIRECTORS**

**For the year ended 30 September 1999  
(Continued)**

**Fixed assets**

Full disclosure of all matters relating to fixed assets is set out in the notes to the financial statements.

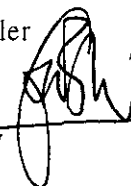
**Auditors**

In accordance with Section 385 of the Companies Act 1985 a resolution proposing the re-appointment of Fraser Russell, Chartered Accountants and Registered Auditors, as Auditors to the Company will be put to the Annual General Meeting.

BY ORDER OF THE BOARD

Dr E Butler

Secretary

A handwritten signature in black ink, appearing to be 'EB', written over a horizontal line.

Registered Office:

4 London Wall Buildings  
Blomfield Street,  
London EC2M 5UQ

Dated: 6 July 2000

**REPORT OF THE AUDITORS TO THE MEMBERS OF****A.S.I. (RESEARCH) LIMITED**

We have audited the financial statements on pages 4 to 9 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

**Respective responsibilities of directors and auditors**

As described on page 1 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 these financial 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.

**Fundamental uncertainty**

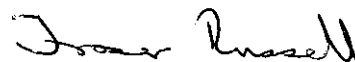
In forming our opinion, we have considered the adequacy of the disclosures made in the financial statements in relation to future financing provided by creditors. The financial statements have been prepared on a going concern basis, the validity of which depends upon future funding by the directors to meet the company's working capital requirements. The financial statements do not include any adjustments that would result from a failure to obtain this funding. Details of the circumstances relating to this fundamental uncertainty are described in note 1(c). Our opinion is not qualified in this respect.

**Opinion**

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 September 1999 and of its results for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

4 London Wall Buildings  
Blomfield Street  
London EC2M 5UQ

Dated: 6.7.00.



FRASER RUSSELL  
Chartered Accountants  
and Registered Auditors

## A.S.I. (RESEARCH) LIMITED

## PROFIT AND LOSS ACCOUNT

For the year ended 30 September 1999

	Notes	<u>1999</u> £	<u>1998</u> £
Turnover	2	404,897	248,963
Cost of Sales		(369,436)	(145,669)
		<hr/>	<hr/>
Gross profit		35,461	103,294
Administrative Expenses		(141,570)	(121,684)
		<hr/>	<hr/>
		(106,109)	(18,390)
Other Operating Income			
- Donations		115,642	37,969
		<hr/>	<hr/>
Operating profit before taxation	3	9,533	19,579
Taxation		-	-
		<hr/>	<hr/>
Profit for the year		9,533	19,579
Accumulated losses brought forward		(107,781)	(127,360)
		<hr/>	<hr/>
Accumulated losses carried forward		£(98,248)	£(107,781)
		<hr/> <hr/>	<hr/> <hr/>

*None of the company's activities were acquired or discontinued during the above two financial years.*

*There are no recognised gains or losses other than those stated above.*

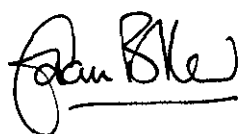
*The notes on pages 6 to 9 form part of these financial statements.*

## A.S.I. (RESEARCH) LIMITED

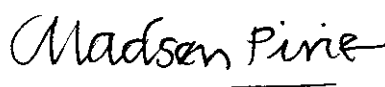
## BALANCE SHEET

As at 30 September 1999

	Notes	£	<u>1999</u>	£	£	<u>1998</u>	£
<b>Tangible fixed assets</b>	6			14,226			11,034
<b>Current assets</b>							
Debtors	7	60,160			100,697		
Cash at Bank		-			36,137		
				60,160			136,834
<b>Creditors: Amounts Falling Due Within One Year</b>	8	(172,615)			(255,630)		
<b>Net current liabilities</b>				(112,455)			(118,796)
				£(98,229)			£(107,762)
<b>Financed by:</b>							
<b>Capital and reserves</b>							
Called Up Share Capital	9			19			19
Profit and Loss Account	12			(98,248)			(107,781)
				£(98,229)			£(107,762)



)  
)  
) Directors



On behalf of the Board

Dated: 6 July 2000

The notes on pages 6 to 9 form part of these financial statements.

**A.S.I. (RESEARCH) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 30 September 1999**

1. **Accounting policies**

a) **Basis of Financial Statements**

The financial statements are drawn up under the historical cost convention of accounting.

b) **Depreciation**

Depreciation is calculated by reference to the cost of fixed assets using a reducing balance basis, at rates considered appropriate to the expected useful lives of the assets.

The annual rates of depreciation used are:

Computer Equipment	- 33%
Other Equipment, Fixtures, Fittings	- 20%

c) **Going Concern Basis**

The directors believe it is appropriate to prepare the financial statements on a going concern basis as they have agreed not to seek repayment of their loans or outstanding salary to the detriment of other creditors.

2. **Turnover**

Turnover comprises the invoiced value of goods and services provided, net of Value Added Tax.

3. **Operating profit** is stated after charging/(crediting):-

	<u>1999</u>	<u>1998</u>
	£	£
Directors' remuneration	30,000	30,000
Auditors' remuneration	4,778	4,500
Depreciation	4,926	3,370
	<u>          </u>	<u>          </u>

4. **Employee information**

a) Staff Costs

Salaries	59,276	48,351
Social Security Costs	6,042	4,869
Other Pension Costs	4,800	4,800
	<u>          </u>	<u>          </u>
	£70,118	£58,020
	<u>          </u>	<u>          </u>

b) Number of Employees

The average monthly number of employees (including directors) during the year was four (1998: three), all engaged in administration.

The company operates a non-contributory contribution scheme for one of its directors. The funds of the scheme are administered by trustees and are held independently of the company. The company's contributions are charged against profits in the year in which they are made.

## A.S.I. (RESEARCH) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 1999  
(Continued)

## 5. Distribution of income

Under the terms of a Deed of Covenant dated 5 May 1981 and a replacement deed dated 9 January 1986, the Company contracted to pay over to the Adam Smith Institute, a registered charity, the whole of its distributable income. Payment is due no later than one month before the end of the accounting period. In view of the accumulated losses sustained, no such payment is due for the period under review.

The Adam Smith Institute was formally wound up on 30 April 1990 and its assets, liabilities and operations transferred to a new Charity, the Adam Smith Research Trust, with whom a similar deed now exists.

## 6. Tangible fixed assets

	Computer <u>Equipment</u> £	Furniture and Other Office <u>Equipment</u> £	<u>Total</u> £
<b>Cost</b>			
At 1st October 1998	32,537	16,997	49,534
Additions	7,825	293	8,118
	<hr/>	<hr/>	<hr/>
At 30 September 1999	40,362	17,290	57,652
	<hr/>	<hr/>	<hr/>
<b>Depreciation</b>			
At 1st October 1998	24,760	13,740	38,500
Charge in year	3,981	945	4,926
	<hr/>	<hr/>	<hr/>
At 30 September 1999	28,741	14,685	43,426
	<hr/>	<hr/>	<hr/>
<b>Net Book Value</b>			
At 30 September 1999	£ 11,621	£ 2,605	£ 14,226
	<hr/>	<hr/>	<hr/>
At 30 September 1998	£ 7,777	£ 3,257	£ 11,034
	<hr/>	<hr/>	<hr/>



## A.S.I. (RESEARCH) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 1999  
(Continued)

7.	Debtors	<u>1999</u> £	<u>1998</u> £
	Trade Debtors	33,326	85,000
	Prepayments & accrued income	14,347	15,697
	VAT recoverable	5,067	-
	Adam Smith Research Trust	7,420	-
		<hr/>	<hr/>
		£ 60,160	£100,697
		<hr/>	<hr/>
8.	<b>Creditors:</b> Amounts falling due within one year	<u>1999</u>	<u>1998</u>
	Bank Overdraft	7,197	-
	Adam Smith Research Trust	-	6,342
	Taxation and Social Security	10,213	20,832
	Directors' Loans	57,732	53,825
	Directors' Undrawn Salary	45,000	75,000
	Accruals	52,473	99,631
		<hr/>	<hr/>
		£172,615	£255,630
		<hr/>	<hr/>
9.	<b>Share capital</b>		
	<i>Authorised</i>		
	<i>Equity Interests:</i>		
	100 Ordinary Shares of £1 each	£ 100	£ 100
		<hr/>	<hr/>
	<i>Allotted, Called up and fully paid</i>		
	<i>Equity Interests:</i>		
	19 Ordinary Shares of £1 each	£ 19	£ 19
		<hr/>	<hr/>

## A.S.I. (RESEARCH) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 1999  
(Continued)

## 10. Lease commitments

Operating lease payments amounting to £14,000 (1998: £14,000) are due within one year. The commitments to make the payments included in this sum expire as follows:

Land and buildings:	<u>1999</u>	<u>1998</u>
Between one and two years	£ 14,000	£ 14,000
	<u>          </u>	<u>          </u>

## 11. Reconciliation of movements in shareholders' funds

	<u>1999</u> £	<u>1998</u> £
Profit for the financial year	9,533	19,579
Shareholders' funds brought forward	(107,762)	(127,341)
	<u>          </u>	<u>          </u>
Shareholders' funds carried forward	£(98,229)	£(107,762)
	<u>          </u>	<u>          </u>
Equity interests	£(98,229)	£(107,762)
	<u>          </u>	<u>          </u>

## 12. Reserves

## Profit and loss account

	<u>1999</u>	<u>1998</u>
At beginning of year	(107,781)	(127,360)
Transfer from profit and loss account of the year	9,533	19,579
	<u>          </u>	<u>          </u>
	£(98,248)	£(107,781)
	<u>          </u>	<u>          </u>