

# A.S.I. (Research) Limited

## REPORT AND FINANCIAL STATEMENTS

30 September 2000



# A.S.I. (Research) Limited

## DIRECTORS AND OFFICERS

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### DIRECTORS

Dr MD Pirie  
Dr EF Butler  
Sir AE Bide

### SECRETARY

Dr EF Butler

### REGISTERED OFFICE

2 Bloomsbury Street  
London WC1B 3ST

### AUDITORS

Baker Tilly  
Chartered Accountants  
2 Bloomsbury Street  
London WC1B 3ST

# A.S.I. (Research) Limited

## DIRECTORS' REPORT

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The directors submit their report and the financial statements of A.S.I. (Research) Limited for the year ended 30 September 2000.

### PRINCIPAL ACTIVITIES

The principal activity of the company during the year was that of promotion and advancement of economic research and the raising of funds for this purpose.

### DIRECTORS

The following directors have held office since 1 October 1999:

Dr M D Pirie  
Dr E F Butler  
Sir A E Bide

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

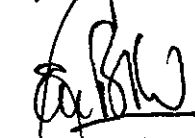
### FIXED ASSETS

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

### AUDITORS

Following a merger on 1 July 2000, Fraser Russell changed their name to Baker Tilly and the audit report has been signed in this new name. A resolution to reappoint Baker Tilly, Chartered Accountants, as auditors will be put to the members at the Annual General Meeting.

By order of the board

  
Dr E F Butler  
Secretary

23.7.01.

# A.S.I. (Research) Limited

## DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

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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:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and estimates that are reasonable and prudent;
- c. 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 requirements of 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.

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

We have audited the financial statements on pages 5 to 10.

### **Respective responsibilities of directors 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 affairs at 30 September 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Registered Auditor  
Chartered Accountants  
2 Bloomsbury Street  
London WC1B 3ST

23.7.01.

**A.S.I. (Research) Limited**  
**PROFIT AND LOSS ACCOUNT**  
**for the year ended 30 September 2000**

	Notes	2000 £	1999 £
TURNOVER	1	254,997	404,897
Cost of sales		(175,542)	(369,436)
Gross profit		<u>79,455</u>	<u>35,461</u>
Administrative expenses		(117,206)	(141,570)
		<u>(37,751)</u>	<u>(106,109)</u>
OTHER OPERATING INCOME			
Donations		49,659	115,642
OPERATING PROFIT BEFORE TAXATION		<u>11,908</u>	<u>9,533</u>
Taxation		-	-
PROFIT FOR THE YEAR	2	<u>11,908</u>	<u>9,533</u>
Accumulated losses brought forward		(98,248)	(107,781)
ACCUMULATED LOSSES CARRIED FORWARD		<u>(86,340)</u>	<u>(98,248)</u>

The operating loss for the year arises from the company's continuing operations.

No separate Statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the profit and loss account.

# A.S.I. (Research) Limited

## BALANCE SHEET

30 September 2000

	Notes	2000 £	1999 £
<b>FIXED ASSETS</b>			
Tangible assets	5	49,989	14,226
		<u>          </u>	<u>          </u>
<b>CURRENT ASSETS</b>			
Debtors	6	60,160	60,160
Cash at bank and in hand		67,362	-
		<u>127,522</u>	<u>60,160</u>
<b>CREDITORS: Amounts falling due within one year</b>	7	(263,832)	(172,615)
		<u>(136,310)</u>	<u>(112,455)</u>
<b>NET CURRENT LIABILITIES</b>		<u>(86,321)</u>	<u>(98,229)</u>
		<u>          </u>	<u>          </u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	8	19	19
Profit and loss account		(86,340)	(98,248)
	9	<u>(86,321)</u>	<u>(98,229)</u>
		<u>          </u>	<u>          </u>

Approved by the board on 23 July 2001



Director

# A.S.I. (Research) Limited

## ACCOUNTING POLICIES

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### BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention.

### TANGIBLE FIXED ASSETS

Depreciation is provided on all tangible fixed assets at rates calculated to write each asset down to its estimated residual value evenly over its expected useful life, as follows:-

Computer equipment	33%
Other equipment, fixtures and fittings	20%
Leasehold improvements	Over lease term

### 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 remuneration to the detriment of other creditors.



# A.S.I. (Research) Limited

## NOTES TO THE FINANCIAL STATEMENTS

### for the year ended 30 September 2000

#### 1 TURNOVER AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

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

2	PROFIT ON ORDINARY ACTIVITIES	2000 £	1999 £
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Profit on ordinary activities before taxation is stated after charging:

Directors' remuneration	-	30,000
Auditors' remuneration	4,762	4,778
Depreciation	5,289	4,926

3	EMPLOYEES	2000 No.	1999 No.
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The average monthly number of persons (including directors) employed by the company during the year was:

Office and management	4	4
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	2000 £	1999 £
Staff costs for above persons:		
Wages and salaries	62,912	59,276
Social security costs	6,444	6,042
Other pension costs	4,800	4,800
	<u>74,156</u>	<u>70,118</u>

#### 4 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.

**A.S.I. (Research) Limited**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 30 September 2000**

**5 TANGIBLE FIXED ASSETS**

	Leasehold improve- ments £	Computer equipment £	Furniture and Other Office Equipment £	Total £
Cost				
1 October 1999	-	40,362	17,290	57,652
Additions	36,441	3,684	2,756	42,881
Disposals	-	(2,349)	-	(2,349)
30 September 2000	36,441	41,697	20,046	98,184
Depreciation				
1 October 1999	-	28,741	14,685	43,426
Charged in the year	-	4,710	579	5,289
Disposals	-	(520)	-	(520)
30 September 2000	-	32,931	15,264	48,195
Net book value 30 September 2000	36,441	8,766	4,782	49,989
30 September 1999	-	11,621	2,605	14,226

**6 DEBTORS**

	2000 £	1999 £
Trade debtors	45,000	33,326
Prepayments and accrued income	7,204	14,347
VAT recoverable	7,956	5,067
Adam Smith Research Trust	-	7,420
	60,160	60,160

**7 CREDITORS: Amounts falling due within one year**

	2000 £	1999 £
Bank overdraft	-	7,197
Taxation and social security	11,295	10,213
Directors' loans	62,732	57,732
Directors' undrawn salary	45,000	45,000
Accruals	139,392	52,473
Adam Smith Research Trust	5,413	-
	263,832	172,615

**A.S.I. (Research) Limited**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 30 September 2000**

8	SHARE CAPITAL	2000 £	1999 £
	Authorised:		
	<i>Equity interests:</i>		
	100 ordinary shares of £1 each	100	100
		<hr/>	<hr/>
	Allotted, issued and fully paid:		
	<i>Equity interests:</i>		
	19 ordinary shares of £1 each	19	19
		<hr/>	<hr/>
9	RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS	2000 £	1999 £
	Profit for the financial year	11,908	9,533
	Opening shareholders' funds	(98,229)	(107,762)
		<hr/>	<hr/>
	Closing shareholders' funds	(86,321)	(98,229)
		<hr/>	<hr/>
	Equity interests	(86,321)	(98,229)
		<hr/>	<hr/>

10 PENSION SCHEME

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.

11 COMMITMENTS UNDER OPERATING LEASES

At 30 September 2000 the company had annual commitments under non-cancellable operating leases as follows:

	2000 £	1999 £
Land and buildings		
expiring between one and two years	-	14,000
expiring in more than five years	12,000	-
	<hr/>	<hr/>
	12,000	14,000
	<hr/>	<hr/>