

**SMITH INSTITUTE  
COMPANY LIMITED BY GUARANTEE**

**ABBREVIATED ACCOUNTS**

**31 MARCH 2006**



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COMPANIES HOUSE 05/10/2006

# **SMITH INSTITUTE COMPANY LIMITED BY GUARANTEE**

## **ABBREVIATED ACCOUNTS**

**YEAR ENDED 31 MARCH 2006**

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# **SMITH INSTITUTE COMPANY LIMITED BY GUARANTEE**

## **INDEPENDENT AUDITOR'S REPORT TO SMITH INSTITUTE**

### **UNDER SECTION 247B OF THE COMPANIES ACT 1985**

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We have examined the abbreviated accounts set out on pages 2 to 3, together with the financial statements of Smith Institute for the year ended 31 March 2006 prepared under Section 226 of the Companies Act 1985.

This report is made solely to the company, in accordance with Section 247B of the Companies Act 1985. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company for our audit work, for this report, or for the opinions we have formed.

#### **RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITOR**

The directors are responsible for preparing the abbreviated accounts in accordance with Section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Sections 246(5) and (6) of the Act to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with those provisions and to report our opinion to you.

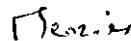
#### **BASIS OF OPINION**

We conducted our work in accordance with Bulletin 2006/3 "The special auditor's report on abbreviated accounts in the United Kingdom" issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

#### **OPINION**

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Sections 246(5) and (6) of the Companies Act 1985, and the abbreviated accounts have been properly prepared in accordance with those provisions.

Ashby House  
64 High Street  
Walton on Thames  
Surrey  
KT12 1BW  
2 October 2006



MENZIES  
Chartered Accountants  
& Registered Auditors

# SMITH INSTITUTE COMPANY LIMITED BY GUARANTEE


## ABBREVIATED BALANCE SHEET

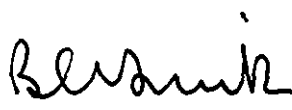
31 MARCH 2006

	Note	2006 £	£	2005 £	£
<b>CURRENT ASSETS</b>					
Debtors		209,020		182,210	
Cash at bank and in hand		202,035		140,402	
		411,055		322,612	
<b>CREDITORS: Amounts falling due within one year</b>		142,392		131,279	
<b>NET CURRENT ASSETS</b>			268,663		191,333
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			268,663		191,333
<b>RESERVES</b>					
Profit and loss account	2		268,663		191,333
<b>MEMBERS' FUNDS</b>			268,663		191,333

These abbreviated accounts have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

These abbreviated accounts were approved by the directors on 20/09/06 and are signed on their behalf by:

  
.....  
Dr R.A. Leese

  
.....  
Dr B.G. Smith

# **SMITH INSTITUTE COMPANY LIMITED BY GUARANTEE**

## **NOTES TO THE ABBREVIATED ACCOUNTS**

**YEAR ENDED 31 MARCH 2006**

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### **1. ACCOUNTING POLICIES**

#### **Basis of accounting**

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005).

#### **Turnover**

Turnover is the total amount of fees and grants receivable by the company, excluding VAT and trade discounts.

In respect of long-term contracts and contracts for on-going services, turnover represents the value of work done in the year, including estimates of amounts not invoiced. Turnover in respect of long-term contracts and contracts for on-going services is recognised by reference to the stage of completion.

#### **Research and development**

Research and development expenditure is written off in the year in which it is incurred.

#### **Pension costs**

The Institute participates in the Universities Superannuation Scheme, a defined benefit scheme which is externally funded and contracted out of the State Second Pension (S2P). The assets of the scheme are held in separate trustee-administered fund. The Institute is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the income and expenditure accounts represents the contributions payable to the scheme in respect of the accounting period.

The directors consider this policy which follows the guidance of Financial Reporting Standard 17 to be best practice as the Financial Reporting Standard for Smaller Entities (effective January 2005) has no provision for members of industry wide pension schemes where it is not possible to identify the Institute's share of the underlying assets and liabilities.

#### **Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

#### **Financial instruments**

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

#### **Grants**

Revenue grants are recognised as income in the profit and loss account during the year in which the grants are receivable.

### **2. COMPANY LIMITED BY GUARANTEE**

The company has no share capital. Each member guarantees to contribute £1 in the event of the company being wound up.