

**SMITH INSTITUTE  
COMPANY LIMITED BY GUARANTEE**

ABBREVIATED ACCOUNTS

31 MARCH 2004



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# **SMITH INSTITUTE COMPANY LIMITED BY GUARANTEE**

**ABBREVIATED ACCOUNTS**

**YEAR ENDED 31 MARCH 2004**

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# SMITH INSTITUTE COMPANY LIMITED BY GUARANTEE

## INDEPENDENT AUDITORS' REPORT TO THE COMPANY

### PURSUANT TO SECTION 247B OF THE COMPANIES ACT 1985

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We have examined the abbreviated accounts on pages 2 to 3, together with the financial statements of the company for the year ended 31 March 2004 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 audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' 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 and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITORS

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 accounts to be delivered are properly prepared in accordance with those provisions and report our opinion to you.

#### BASIS OF OPINION

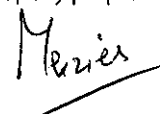
We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements.

#### OPINION

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Sections 246(5) and (6) of the Act, and the abbreviated accounts on pages 2 to 3 are properly prepared in accordance with those provisions.

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

..... 1 October 2004

  
MENZIES  
Chartered Accountants  
& Registered Auditors

# SMITH INSTITUTE COMPANY LIMITED BY GUARANTEE


## ABBREVIATED BALANCE SHEET


31 MARCH 2004

|   | Note | 2004<br>£      | £              | 2003<br>£      | £             |
|---|------|----------------|----------------|----------------|---------------|
| <b>CURRENT ASSETS</b>                                 |      |                |                |                |               |
| Debtors   |      | 120,285        |                | 217,065        |               |
| Cash at bank and in hand                              |      | 95,547         |                | 18,066         |               |
|   |      | <u>215,832</u> |                | <u>235,131</u> |               |
| <b>CREDITORS: Amounts falling due within one year</b> |      | <u>90,848</u>  |                | <u>149,291</u> |               |
| <b>NET CURRENT ASSETS</b>                             |      |                | <u>124,984</u> |                | <u>85,840</u> |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>          |      |                | <u>124,984</u> |                | <u>85,840</u> |
| <b>RESERVES</b>                                       | 2    |                |                |                |               |
| Profit and loss account                               |      |                | <u>124,984</u> |                | <u>85,840</u> |
| <b>MEMBERS' FUNDS</b>                                 |      |                | <u>124,984</u> |                | <u>85,840</u> |

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 16/04/04 and are signed on their behalf by:

  
Dr B.G. Smith

  
Dr R.A. Leese

# SMITH INSTITUTE COMPANY LIMITED BY GUARANTEE

## NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 MARCH 2004

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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 June 2002)*.

#### **Turnover**

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

#### **Research and development**

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

#### **Fixed assets**

All fixed assets are initially recorded at cost.

#### **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 liabilities are valued every three years by a professionally qualified independent actuary using the projected unit method, the rates of contribution payable being determined by the trustee on the advice of the actuary. In the intervening years, the actuary reviews the progress of the scheme. Pension costs are assessed in accordance with the advice of the actuary, based on the latest actuarial valuation of the scheme, and are accounted for on the basis of charging the cost of providing pensions over the period during which the institution benefits from the employees' services.

It is not possible to identify each institution's share of the underlying assets and liabilities of the scheme and hence contributions to the scheme are accounted for as if it were a defined contribution scheme. The cost recognised within the surplus/deficit for the year in the income and expenditure account being equal to the contributions payable to the scheme for the year.

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 June 2002) has no provision for members of industry wide pension schemes where it is not possible to identify the institution's share of the underlying assets and 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.