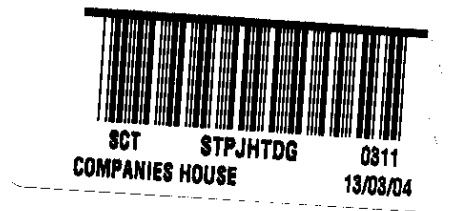


**ASSOCIATION OF INDEPENDENT ACCOUNTANTS
IN SCOTLAND**

FINANCIAL STATEMENTS

FOR

30TH JUNE 2003



Company Registration Number SC101466

**ASSOCIATION OF INDEPENDENT ACCOUNTANTS IN SCOTLAND
COMPANY LIMITED BY GUARANTEE**

FINANCIAL STATEMENTS

YEAR ENDED 30TH JUNE 2003

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**ASSOCIATION OF INDEPENDENT ACCOUNTANTS IN SCOTLAND
COMPANY LIMITED BY GUARANTEE**

OFFICERS AND PROFESSIONAL ADVISERS

The board of directors

J W Mathie (Chair)
J R Byers
J W Morren
D A Main
D J Miller

Company secretary

D A Main

Registered office

9 Ainslie Place
Edinburgh
EH3 6AT

Bankers

Bank of Scotland
52 Shandwick Place
Edinburgh
EH2 4SB

ASSOCIATION OF INDEPENDENT ACCOUNTANTS IN SCOTLAND COMPANY LIMITED BY GUARANTEE

THE DIRECTORS' REPORT

YEAR ENDED 30TH JUNE 2003

The directors have pleasure in presenting their report and the unaudited financial statements of the company for the year ended 30th June 2003.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company during the year was to provide any service or services to assist Chartered Accountants in their business.

RESULTS

The directors were pleased with the results of the year. The training programme was once again the core activity and a broad range of interesting and relevant courses were made available to the members. There were also a number of well attended members events. The Association continued to be a successful forum for matters of mutual interest to the members.

DIRECTORS

The directors who served the company during the year were as follows:

J W Mathie (Chair)

J R Byers

J W Morren

D A Main

D J Miller

Mrs A H S Gray (Retired 8th October 2002)

J D Ritchie (Retired 26th November 2002)

Ms H Oliver (Retired 25th March 2003)

The following directors are to retire from the board in accordance with the Articles of Association and, being eligible, offer themselves for re-appointment:

D J Miller

J R Byers

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

Registered office:

9 Ainslie Place

Edinburgh

EH3 6AT

Signed on behalf of the directors



D A Main

Director

Approved by the directors on 10th March 2004

**ASSOCIATION OF INDEPENDENT ACCOUNTANTS IN SCOTLAND
COMPANY LIMITED BY GUARANTEE**

PROFIT AND LOSS ACCOUNT

YEAR ENDED 30TH JUNE 2003

	Note	2003 £	2002 £
TURNOVER		7,785	8,120
Cost of sales		2,312	6,353
GROSS PROFIT		5,473	1,767
Administrative expenses		2,961	2,327
OPERATING PROFIT/(LOSS)	2	2,512	(560)
Interest receivable		26	46
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		2,538	(514)
Tax on profit/(loss) on ordinary activities	3	–	(91)
RETAINED PROFIT/(LOSS) FOR THE FINANCIAL YEAR		2,538	(423)
Balance brought forward		1,165	1,588
Balance carried forward		3,703	1,165

The notes on pages 5 to 6 form part of these financial statements.

ASSOCIATION OF INDEPENDENT ACCOUNTANTS IN SCOTLAND COMPANY LIMITED BY GUARANTEE

BALANCE SHEET

30TH JUNE 2003

	Note	2003 £	£	2002 £	£
CURRENT ASSETS					
Debtors	4	1,745		1,114	
Cash at bank		2,641		1,596	
		<u>4,386</u>		<u>2,710</u>	
CREDITORS: Amounts falling due within one year	5	<u>683</u>		<u>1,545</u>	
NET CURRENT ASSETS			<u>3,703</u>		<u>1,165</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>3,703</u>		<u>1,165</u>
RESERVES	7				
Profit and loss account			<u>3,703</u>		<u>1,165</u>
MEMBERS' FUNDS			<u>3,703</u>		<u>1,165</u>

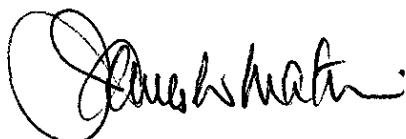
The directors are satisfied that the company is entitled to exemption from the provisions of the Companies Act 1985 (the Act) relating to the audit of the financial statements for the year by virtue of section 249A(1), and that no member or members have requested an audit pursuant to section 249B(2) of the Act.

The directors acknowledge their responsibilities for:

- (i) ensuring that the company keeps proper accounting records which comply with section 221 of the Act, and
- (ii) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the company.

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

These financial statements were approved by the directors on the 10th March 2004 and are signed on their behalf by:



J W MATHIE (CHAIR)

The notes on pages 5 to 6 form part of these financial statements.

ASSOCIATION OF INDEPENDENT ACCOUNTANTS IN SCOTLAND COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30TH JUNE 2003

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

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

Fixed assets

All fixed assets are initially recorded at cost.

2. OPERATING PROFIT/(LOSS)

Operating profit/(loss) is stated after charging:

	2003 £	2002 £
Directors' emoluments	—	—

3. TAX ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES

	2003 £	2002 £
Current tax:		
UK Corporation tax based on the results for the year at –% (2002 - 10%)	—	(56)
Over/under provision in prior year	—	(35)
Total current tax	—	(91)

4. DEBTORS

	2003 £	2002 £
Corporation tax repayable	—	56
Prepayments and accrued income	1,745	1,058
	<u>1,745</u>	<u>1,114</u>

**ASSOCIATION OF INDEPENDENT ACCOUNTANTS IN SCOTLAND
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30TH JUNE 2003

5. CREDITORS: Amounts falling due within one year

	2003	2002
	£	£
Trade creditors	—	1,526
Other creditors including taxation:		
VAT	183	19
Accruals and deferred income	500	—
	<u>683</u>	<u>1,545</u>

6. RELATED PARTY TRANSACTIONS

The directors are all partners in firms which are members of the association. The member firms send staff on training courses provided by the company. In addition Whitelaw Wells provided secretarial support to the company of £1,500 during the year.

The member firms during the year were:

Byers & Co
Cowan & Partners
Helen Oliver & Co
Jeffrey Crawford & Co
Johnson Smillie
J W Mathie & Co
Iain Nicholson & Co
Whitelaw Wells

7. COMPANY LIMITED BY GUARANTEE

The Association, which is registered in Scotland, is a company limited by guarantee and does not have a share capital.