

**Company number SC091239**  
**Charity number SC009579**

**THE DAVID HUME INSTITUTE**

**ABBREVIATED ACCOUNTS**

**FOR THE YEAR ENDED**

**30 SEPTEMBER 2006**



**BROWN, SCOTT & MAIN**  
Chartered Accountants

**THE DAVID HUME INSTITUTE**  
**ABBREVIATED ACCOUNTS FOR THE YEAR**  
**ENDED 30 SEPTEMBER 2006**

<b>CONTENTS</b>	<b><u>Pages</u></b>
Institute officers and bankers	2
Independent auditors' report	3
Balance sheet	4
Accounting policies	5
Notes to the abbreviated accounts	6

## **THE DAVID HUME INSTITUTE**

### **STATUS**

The Institute, which has charitable status, is a company limited by guarantee, without a share capital, formed in 1985 otherwise than for profit, and exempt from the requirements to use the word "limited" The Institute is governed by its memorandum and articles of association The Trustees act as directors of the company It has exempt tax status and the liability of each member is restricted to one pound

### **TRUSTEES AND OFFICERS**

HONORARY PRESIDENT	Lord Sutherland of Houndwood
HONORARY TRUSTEES	Sir Gerald Elliot Professor Sir Alan Peacock Mrs Catherine Blight Lady Anne Mackenzie Stuart Sir John Shaw
TRUSTEES	Miss Eileen A Mackay (Chairman) Mr Robert D D Bertram Mr John C Elliot Mr Andrew J D Ferguson Professor Gavin Kennedy Mr Nicholas Kuenssberg Dr Isabelle Low Mr Ken Lyall Professor Hector L MacQueen Professor Donald MacRae Professor John Murray Professor David R F Simpson Professor Joan K Stringer
DIRECTOR	Mr Jeremy Peat
ACADEMIC DIRECTOR	Professor Brian Main
DEVELOPMENT DIRECTOR	Mrs Catriona Laing
CONSULTANT ON LEGAL TOPICS	Professor Hector L MacQueen
COMPANY REGISTRATION NUMBER	SC 091239
CHARITY NUMBER	SC 009579
REGISTERED OFFICE	25 Buccleuch Place Edinburgh
AUDITORS	Brown, Scott & Main 91 West Savile Terrace Edinburgh
BANKERS	The Royal Bank of Scotland plc St Andrew Square Edinburgh
SOLICITORS	Shepherd & Wedderburn Saltire Court 20 Castle Terrace Edinburgh

**THE DAVID HUME INSTITUTE**

**AUDITORS' REPORT TO THE DAVID HUME INSTITUTE  
UNDER SECTION 247B OF THE COMPANIES ACT 1985**

We have examined the abbreviated accounts on pages 4 to 6 together with the financial statements of The David Hume Institute for the year ended 30 September 2006 prepared under the Companies Act 1985 section 226

**Respective responsibilities of directors and auditors**

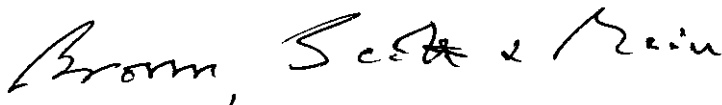
The Trustees are responsible for preparing the abbreviated accounts in accordance with section 246 and Schedule 8A of the Companies Act 1985. It is our responsibility to form an independent opinion as to the Institute's entitlement to deliver abbreviated accounts prepared in accordance with that section and schedule and whether the abbreviated accounts have been properly prepared in accordance with those provisions.

**Basis of opinion**

We have carried out the procedures we considered necessary to confirm, by reference to the audited financial statements, that the Institute is entitled to deliver abbreviated accounts and that the abbreviated accounts have been properly prepared from those financial statements. The scope of our work for the purpose of this report does not include examining or dealing with events after the date of our report on the full financial statements.

**Opinion**

In our opinion the Institute is entitled under the Companies Act 1985 sections 247 and 247A to deliver abbreviated accounts prepared in accordance with the Companies Act 1985 section 246 and Schedule 8A, in respect of the year ended 30 September 2006, and the abbreviated accounts on pages 4 to 6 have been properly prepared in accordance with those provisions.



**BROWN, SCOTT & MAIN**

Chartered Accountants and Registered Auditor  
Edinburgh

15th December 2006

# THE DAVID HUME INSTITUTE

## BALANCE SHEET AS AT 30 SEPTEMBER 2006

	<u>Notes</u>	<u>2006</u> £	<u>2005</u> £
FIXED ASSETS	1	<u>1,550</u>	<u>1,493</u>
CURRENT ASSETS			
Prepayments		8,242	8,509
Other debtors		100	559
Bank deposit		61,696	51,951
Cash on hand and at bank		<u>1,535</u>	<u>1,205</u>
		<u>71,573</u>	<u>62,224</u>
CREDITORS Amounts falling due within one year			
Trade creditors			872
Accruals		<u>5,317</u>	<u>2,507</u>
		<u>5,317</u>	<u>3,379</u>
NET CURRENT ASSETS		<u>66,256</u>	<u>58,845</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>£ 67,806</u>	<u>£ 60,338</u>
CAPITAL AND RESERVES			
Unrestricted general fund	2	67,806	60,338
Restricted research fund	2	<u>£ 67,806</u>	<u>£ 60,338</u>

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

The abbreviated accounts on pages 4 to 6 were approved by the Board of Trustees on 5 December 2006 and were signed on its behalf by

*Eileen A. Mackay*

CHAIRMAN

*[Signature]*

TRUSTEE

# **THE DAVID HUME INSTITUTE**

## **ACCOUNTING POLICIES**

### **BASIS OF ACCOUNTING**

The financial statements of the Institute have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005) and Statement of Recommended Practice "Accounting and Reporting by Charities" Revised 2005. As these financial statements incorporate the most recent Statement of Recommended Practice for the first time, the comparative figures in the Statement of Financial Activities have been restated to bring them into line with current year presentation. In common with many other charitable organisations of a similar size and nature, we use our auditors to prepare these financial statements.

### **FORMAT**

Owing to special circumstances and in particular to the fact that the activities of the Institute are principally the administration of voluntary funds for charitable purposes, it is the opinion of the trustees that presentation of a profit and loss account in any of the specific formats presented in Schedule 4 of the Companies Act 1985 would prevent compliance with section 228 of the Act (that accounts shall give a true and fair view of the profit or loss for the financial year). Accordingly, the information required by the Act is given in the form of a Statement of Financial Activities appropriate to the activities of the Institute and in accordance with the current Statement of Recommended Practice.

### **INCOME**

Donations and membership subscriptions are credited to income in the year in which they arise. Revenue grants, sponsorship moneys and admission fees are credited to income in the year to which they relate. Subscription income under gift aid is shown gross of tax recoveries. Income receivable with restrictive conditions, where the income can be used only for a specific purpose, is accounted for as a restricted fund. All income of the Institute has been derived wholly from activities within the UK.

### **EXPENDITURE**

All expenditure is included on an accruals basis and is classified under headings appropriate to the Institute's activities. Administration expenditure is considered to relate almost exclusively to the management of the Institute for its charitable activities with minimal time consumed by fund raising or governance issues. Expenditure on publications is written off as incurred and no value is placed on stock of publications.

### **FUND ACCOUNTING**

Unrestricted funds represent donations and other incoming resources receivable to further the general objects of the charity without further restricted purpose or need for repayment, and are available as general funds. Restricted funds are funds which are to be used in accordance with the specific restrictions imposed by the relevant supporter, or which have been raised by the charity for a specific purpose.

### **TANGIBLE FIXED ASSETS AND DEPRECIATION**

Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is calculated to write off the cost less residual value of the assets over their estimated useful lives at the following rates:  
Office equipment 20% per annum straight line

### **LIABILITIES**

Liabilities are recognised when an obligation arises for the transfer of economic benefit as a result of past transactions or events.

### **OPERATING LEASES**

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

## THE DAVID HUME INSTITUTE

### NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 30 SEPTEMBER 2006

#### 1 TANGIBLE FIXED ASSETS

	Office equipment £
COST	
At 1 October 2005	3,781
Additions	465
Disposals	
At 30 September 2006	<u>4,246</u>
DEPRECIATION	
At 1 October 2005	2,288
Charge for the year	408
Disposals	
At 30 September 2006	<u>2,696</u>
NET BOOK VALUE	
At 30 September 2006	<u>£ 1,550</u>
At 30 September 2005	<u>£ 1,493</u>

All fixed assets are used in the management and support of direct charitable activities

#### 2 RESERVES

	Unrestricted General Fund £	Total £
At 1 October 2005	60,338	60,338
Surplus of income over expenditure for the year	<u>7,468</u>	<u>7,468</u>
At 30 September 2006	<u>£ 67,806</u>	<u>£ 67,806</u>

#### 3 SHARE CAPITAL

The Institute is a company limited by guarantee, without a share capital, formed in 1985 otherwise than for profit and exempt from the requirements to use the word "Limited" It has exempt tax status and the liability of each member is restricted to one pound

#### 4 FINANCIAL COMMITMENTS

The Institute has a commitment for property rental, including service charges, of £10,008 (2005 £8,714), which is renewable annually It also has an annual commitment of £753 for office equipment (2005 £753), which commenced in May 2005, for 3 years