

Company number SC091239
Charity number SC009579

THE DAVID HUME INSTITUTE

REPORT AND FINANCIAL STATEMENTS

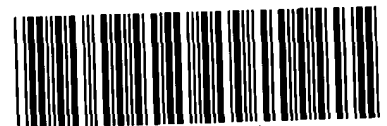
FOR THE YEAR ENDED

31 JULY 2015

BROWN, SCOTT & MAIN

Chartered Accountants

THURSDAY



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THE DAVID HUME INSTITUTE

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2015

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THE DAVID HUME INSTITUTE

STATUS

The Institute, which was formed in 1985, has charitable status and is a not-for-profit company, limited by guarantee, without a share capital. It 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, OFFICERS AND COMPANY INFORMATION

HONORARY PRESIDENT	Prof Anton Muscatelli (2014-)
HONORARY TRUSTEES	Mrs Catherine Blight Sir Ian Byatt Sir Gerald Elliot Miss Eileen A Mackay Sir John Shaw
CHAIRMAN	Sir John Elvidge (appointed 24/09/2015) Prof Hector MacQueen (resigned 28/05/2015)
TRUSTEES	Prof Alan Alexander Prof Robert Cormack (appointed 13/01/2015) Mr Stephen Boyle Ms Kyla Brand Prof Alice Brown Laura Dunlop QC Mr Jo Elliot Prof Charlie Jeffery Mr Owen Kelly OBE Prof Donald MacRae Mr Ian Ritchie Ms Barbara Smith (resigned 07/07/2015) Ms Jenny Stewart (appointed 1/05/2015) Prof Dame Joan K Stringer Mr Andrew Welsh (resigned 22/06/2015)
DIRECTOR	Mr Ray Perman
DEVELOPMENT DIRECTOR/COMPANY SECRETARY	Mrs Catriona Laing
CONSULTANT ON LEGAL TOPICS	Prof Hector MacQueen
COMPANY REGISTRATION NUMBER	SC 091239
CHARITY NUMBER	SC 009579

THE DAVID HUME INSTITUTE

TRUSTEES, OFFICERS AND COMPANY INFORMATION (continued)

REGISTERED OFFICE	26 Forth Street Edinburgh
AUDITORS	Brown, Scott & Main 91 West Savile Terrace Edinburgh
BANKERS	The Royal Bank of Scotland plc 36 St Andrew Square Edinburgh
SOLICITORS	Shepherd & Wedderburn 1 Exchange Crescent Conference Square Edinburgh

THE DAVID HUME INSTITUTE

REPORT OF THE TRUSTEES

The Trustees present their report and audited financial statements for the year ended 31 July 2015.

AIMS

The aim of the Institute is to influence public policy by commissioning and publishing research into economic and legal questions, and discussing the findings in seminars, conferences and meetings. The Institute is independent of government and supported by donations, sponsorship of projects and annual subscriptions from commercial, public sector and voluntary organisations, trusts and individuals.

ORGANISATIONAL STRUCTURE AND APPOINTMENT OF TRUSTEES

The Institute is supervised by a Board of Trustees, who are appointed by the members for an initial period of two years. It is managed by the Director.

ACTIVITIES

During the period, the Institute published 2 books, 2 papers, held 3 roundtables and 13 seminars. Events continued to attract sizeable and engaged audiences and media coverage has been reasonable.

THE DAVID HUME INSTITUTE RECENT EVENTS

AUTUMN 2014

- | | |
|------------------|--|
| 8 October 2014 | <i>'Relations between Holyrood and Westminster—what the Scottish referendum means for the United Kingdom'</i>
Peter Riddell |
| 20 October 2014 | <i>'Inequality in Scotland – what are the causes and what are the implications?'</i>
Professor David Bell |
| 12 November 2014 | <i>'Measuring Wellbeing in Scotland'</i>
Professor Charlie Wood |
| 20 November 2014 | <i>'Tackling Trends in Inequality – an International Perspective'</i>
Professor Anton Muscatelli, Presidential Address |

WINTER SERIES 2015

- | | |
|------------------|--|
| 13 January 2015 | <i>'Fairer Society. Stronger Economy. Opportunity for Everyone'</i>
Willie Rennie MSP |
| 21 January 2015 | <i>'A Conservative Scotland'</i>
Ruth Davidson MSP |
| 5 February 2015 | <i>'Whatever happened to the politics of hope?'</i>
Patrick Harvie MSP |
| 18 February 2015 | <i>'Scotland's Future - sharing in growth and prosperity'</i>
Rt. Hon. Jim Murphy MP |

THE DAVID HUME INSTITUTE

REPORT OF THE TRUSTEES (continued)

25 February 2015 *'An education system for everyone – the foundation of a fairer Scotland'*
RT. Hon. Nicola Sturgeon MSP, First Minister

SPRING SERIES 2015

10 March 2015 *'Tax and Spend – what are the options for the next Government?'*
Paul Johnson, IFS

30 March 2015 *'The Scottish Parliament: An Agenda for Reform'*
Rt Hon Tricia Marwick MSP

22 April 2015 *'Greed – Who was right, David Hume or Gordon Gekko?'*
Lord Sutherland of Houndwood

15 June 2015 *'Inequality: What can the Scottish Government Do?'*
Prof David Bell and Mr David Eiser, University of Stirling

ROUNDTABLES

26 November 2014 HE/RSE Higher Education *'International Dimension of Scottish Universities'*

3 February 2015 HE/RSE Higher Education *'Funding of Universities'*

9 February 2015 *'Purpose and Measurement of Wellbeing'* with Scottish Futures Forum (SFF)

DHI SPEAKERS GIVING EVIDENCE TO SCOTTISH PARLIAMENT COMMITTEES

11 March 2015 Paul Johnson gave evidence to the Scottish Parliament Finance Committee

PUBLICATIONS

1 August 2014 *'Scotland's Decision: 16 Questions to think about for the referendum on 18 September'* Produced in partnership with the ESRC Future of the UK & Scotland programme and the Hunter Foundation.

15 April 2015 *'A second Chamber for the Scottish Parliament?'* by Professor Hector MacQueen (e publication only)

18 May 2015 *'Alan Peacock Dissenting...'* contributions from various authors, edited by Ray Perman

15 June 2015 *'Inequality: What can the Scottish Government do?'* by Professor David Bell and David Eiser (e publication only)

THE DAVID HUME INSTITUTE

REPORT OF THE TRUSTEES (continued)

RESEARCH PROJECTS

Addressing inequality in Scotland – what can be done?

Following their groundbreaking first paper, *Inequality in Scotland: New Perspectives* (presented in October 2014), which measured the extent of inequality in Scotland in a level of detail not previously available, Professor David Bell and David Eiser, of the University of Stirling, were commissioned to look at the ways inequality in Scotland could be reduced, using the powers available to the Scottish Parliament. The work was funded by three supporters of the Institute and was presented and published in June 2015.

DHI/RSE on Higher Education

The long-running series of roundtables, jointly organised by the David Hume Institute and the Royal Society of Edinburgh, was brought to a close with meetings to look at the funding and international activities of universities. A final discussion attempted to distill conclusions from what had been a broad exercise to identify common themes and suggestions for future policy. A paper summarising the debates was published in late 2015.

PLANNING AND DEVELOPMENT

Our events and seminar programme is currently being finalised for the 2015/2016 financial year. Fundraising for our event programme and in particular, core funding, continues to be a priority for the Institute with emphasis on achieving stable long-term funding from private and corporate sources.

The Institute is most grateful to those companies, other organisations, trusts and individuals who have supported its work during the year – our work would be impossible without their help. They include:

Donors, sponsors and supporters of activities and research projects during 2014/15

Alan McFarlane
First State Investments Ltd
ICAS (The Institute of Chartered Accountants of Scotland)
Institute and Faculty of Actuaries
KPMG
Scottish Futures Forum (SFF)
The Binks Trust
The Hunter Foundation
The Law Society of Scotland
Scottish Universities Insight Institute (SUII)
Walter Scott and Partners Limited

THE DAVID HUME INSTITUTE

REPORT OF THE TRUSTEES (continued)

Members at the end of 2014/2015

Corporate

Audit Scotland
Institute and Faculty of Actuaries
Lloyds Banking Group Scotland
Pinsent Masons LLP
Scottish Enterprise
Scottish Futures Trust
Shepherd & Wedderburn LLP
Standard Life
The Law Society of Scotland
The Royal Bank of Scotland plc
The Scottish Government
The Scotch Whisky Association (SWA)
Turcan Connell
University of the Highlands & Islands

Individual

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Student

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COMPLIANCE AND GOVERNANCE

The Trustees confirm that the accounts comply with current statutory requirements, with the Institute's governing document and with the Statement of Recommended Practice "Accounting and Reporting by Charities". The major risks to which the charity is exposed, as identified by the Trustees, have been reviewed and systems or procedures have been established to manage those risks as far as the Trustees consider is practically possible. The Trustees maintain a risk register which records each major risk identified, of which the most significant is securing sufficient funding to allow the charity's activities to continue, and the charity's systems and procedures to mitigate each risk. The risk register is regularly reviewed by the Trustees.

The Trustees met 4 times during the year. In addition, the Chairman of Trustees meets with the Director to monitor developments between Trustees' meetings. There is no Audit committee, the relevant responsibilities being discharged by the Trustees as a whole. At least once a year the Trustees meet under the chairmanship of a Trustee (currently Jo Elliot) other than the chairman of the Institute, to consider accounts, audit and related matters. As at the date of approval of the Report of the Trustees, so far as the Trustees are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the Institute's auditors are unaware and, so far as he or she is aware, each Trustee has taken all necessary steps that he or she ought to have taken as a Trustee in order to make himself or herself aware of any relevant audit information and to establish that the Institute's auditors are aware of that information.

THE DAVID HUME INSTITUTE

REPORT OF THE TRUSTEES (continued)

FINANCIAL REVIEW

The overall deficit on the unrestricted general fund for the year was £1,786 (2014 surplus of £5,836). The deficit for the year on restricted funds was £142 (2014 £1,934). At the end of the year the Institute's general fund stood at £136,149 (2014 £137,935) and restricted funds at nil (2014 £142). The Trustees remain satisfied that the overall level of reserves is reasonable in the context of its future programme and enables it to undertake the necessary forward planning of events despite the inevitable uncertainties about future income streams against the current economic climate.

TRUSTEES

The Trustees holding office during the year ended 31 July 2015 are listed on page 2. Since the year end, Sir John Elvidge was appointed as a Trustee and Chairman on 24 September 2015.

TRUSTEES' LIABILITY INSURANCE

The company holds Trustees' liability insurance which is administered by an independent insurance company and provides cover for the charity's Trustees.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Trustees must not approve financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Institute and of the surplus or deficit of the Institute for that period. In preparing those financial statements, the Trustees are required to:

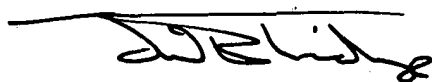
- select suitable policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Institute will continue in business.

The Trustees are responsible for keeping proper accounting records that are sufficient to show and explain the Institute's transactions and disclose with reasonable accuracy at any time the financial position of the Institute and to enable them ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Institute and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the financial information included on the company's web site.

BASIS OF PREPARATION

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.



SIR JOHN ELVIDGE
CHAIRMAN

1 December 2015

THE DAVID HUME INSTITUTE

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES AND MEMBERS OF THE DAVID HUME INSTITUTE

We have audited the financial statements of The David Hume Institute for the year ended 31 July 2015 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes on pages eleven to seventeen inclusive. The financial reporting framework that has been applied in their preparation is applicable law, the Financial Reporting Standard for Smaller Entities (effective April 2008) and Statement of Recommended Practice 2005 "Accounting and Reporting by Charities" (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Charitable Entities).

This report is made solely to the Institute's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charity's Trustees, as a body, in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the Institute's members and Trustees 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 Institute, its members as a body, and its Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities set out on page eight, the Trustees (who are also the directors of the David Hume Institute for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (United Kingdom and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition we read all the financial and non-financial information in the Report of the Trustees to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 July 2015 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Charitable Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

THE DAVID HUME INSTITUTE

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES AND MEMBERS OF THE DAVID HUME INSTITUTE (continued)

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

- the charitable company has not kept proper and adequate accounting records or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a strategic report.



William Main CA (Senior Statutory Auditor)
for and on behalf of Brown, Scott & Main
Statutory Auditor
91 West Savile Terrace
Edinburgh
EH9 3DP

23 December 2015

Brown, Scott & Main is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Note:

The maintenance and integrity of The David Hume Institute web site is the responsibility of the Trustees; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the web site.

THE DAVID HUME INSTITUTE

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 JULY 2015

	Notes	Unrestricted funds £	Restricted funds £	2015 Total £	2014 Total £
INCOMING RESOURCES					
Incoming resources from generated funds					
Voluntary income					
Donations		79,299	-	79,299	49,564
Subscriptions		<u>30,045</u>	<u>-</u>	<u>30,045</u>	<u>26,396</u>
		<u>109,344</u>	<u>-</u>	<u>109,344</u>	<u>75,960</u>
Investment income					
Bank interest		<u>801</u>	-	<u>801</u>	<u>591</u>
Incoming resources from charitable activities					
Revenue from seminars, other events and publications					
Sponsorship income		30,350	-	30,350	57,844
Admission charges		<u>7,840</u>	<u>-</u>	<u>7,840</u>	<u>7,920</u>
		38,190	-	38,190	65,764
Sale of publications		<u>34</u>	<u>-</u>	<u>34</u>	<u>20</u>
		<u>38,224</u>	<u>-</u>	<u>38,224</u>	<u>65,784</u>
Total incoming resources		<u>148,369</u>	<u>-</u>	<u>148,369</u>	<u>142,335</u>
RESOURCES EXPENDED					
Charitable activities					
Seminars, other events and publications		29,526	-	29,526	39,856
Research costs		23,249	-	23,249	10,350
Administration and office costs		<u>94,937</u>	<u>112</u>	<u>95,049</u>	<u>85,814</u>
		<u>147,712</u>	<u>112</u>	<u>147,824</u>	<u>136,020</u>
Governance costs		<u>2,473</u>	<u>-</u>	<u>2,473</u>	<u>2,413</u>
Total resources expended		<u>150,185</u>	<u>112</u>	<u>150,297</u>	<u>138,433</u>
NET (EXPENDITURE)/ INCOME FOR THE YEAR		(1,816)	(112)	(1,928)	3,902
TRANSFERS					
Gross transfers between funds		<u>30</u>	<u>(30)</u>	=	=
Net movement in funds	7	(1,786)	(142)	(1,928)	3,902
Total funds brought forward	7	<u>137,935</u>	<u>142</u>	<u>138,077</u>	<u>134,175</u>
Total funds carried forward	7	<u>136,149</u>	<u>-</u>	<u>136,149</u>	<u>£138,077</u>

The results for the year derive from continuing activities and there are no gains or losses other than those shown above.

THE DAVID HUME INSTITUTE

BALANCE SHEET AS AT 31 JULY 2015

Company Number SC091239

	Notes	31 July 2015 £	31 July 2014 £
FIXED ASSETS	3	<u>14,219</u>	<u>112</u>
CURRENT ASSETS			
Prepayments		2,238	38
Accrued income		15,077	3,237
Other debtors		1,800	1,800
Bank deposits		169,197	162,918
Cash on hand and at bank		<u>1,454</u>	<u>1,520</u>
		<u>189,766</u>	<u>169,513</u>
CREDITORS: Amounts falling due within one year			
Accruals		23,531	30,487
Payroll taxes		1,225	1,061
Deferred income	6	<u>43,080</u>	-
		<u>67,836</u>	<u>31,548</u>
NET CURRENT ASSETS		<u>121,930</u>	<u>137,965</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>£136,149</u>	<u>£138,077</u>
CAPITAL AND RESERVES			
Unrestricted general fund	7	136,149	137,935
Restricted funds	7	-	<u>142</u>
		<u>£136,149</u>	<u>£138,077</u>

These financial statements are prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements on pages 11 to 17 were approved by the Board of Trustees on 1 December 2015 and were signed on its behalf by:



SIR JOHN ELVIDGE

CHAIRMAN



J C ELLIOT

TRUSTEE

THE DAVID HUME INSTITUTE

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 April 2008), Statement of Recommended Practice 2005 "Accounting and Reporting by Charities" and with the Companies Act 2006.

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 1 of the Small Companies and Groups (Accounts and Directors' Report) Regulations 2008 as required under Part 15 of the Companies Act 2006 would prevent compliance with section 396 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

Donation income is recognised when certainty, measurement and entitlement to the income is established, including certainty that conditions, if any, attached to the donation are within the charity's control and can be met. Where uncertainty exists as to whether attached conditions can be met, the income is deferred until certainty is established.

Membership subscriptions are credited to income at the start of the membership period. Subscription income under gift aid is shown gross of tax recoveries.

Sponsorship income and admission fees are recognised in the period the event is held.

Income with restrictive conditions, where the income can be used only for a specific purpose, is accounted for as a restricted fund.

EXPENDITURE

All expenditure is included on an accruals basis, inclusive of Value Added Tax which cannot be recovered 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. Governance costs comprise audit and company registration fees and the cost of Trustees' meetings. 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. Further information on the purpose of specific restricted funds is provided at note 7. The charity had one restricted fund during the year, Awards for All.

Inter-fund transfers are made from the general unrestricted fund to restricted funds to cover any shortfall suffered on a specific restricted fund activity.

THE DAVID HUME INSTITUTE

ACCOUNTING POLICIES (continued)

TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets are stated at cost less accumulated depreciation. Additions costing less than £100 are not capitalised. Depreciation is calculated to write off the cost less residual value of the assets over their estimated useful lives at the following rates:

Equipment: 20% per annum straight line; and
Website: 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.

TAXATION

The company is registered as a charity with the Office of the Scottish Charity Regulator and is exempt from corporation tax. The company is not registered for VAT and expenditure includes VAT where appropriate.

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 FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2015

	2015 £	2014 £
1. NET (EXPENDITURE)/ INCOME FOR THE YEAR		
Net (expenditure)/ income for the year is stated after charging the following administration and office costs:		
Salaries and employer's national insurance contributions (note 2)	74,999	46,782
Fees incurred from consultants, advisors and administrators for current year services	-	22,670
Operating lease rentals – property	13,090	12,702
Insurance – employer's, public, products and Trustees liability and equipment	493	458
Depreciation	1,103	373
Auditors' remuneration – audit fee	2,460	2,440
Auditors' remuneration – payroll and accountancy fee	<u>240</u>	<u>200</u>

2. EMPLOYEES

Salaries	70,630	45,019
Employer's national insurance contributions	6,432	3,700
Less: employment allowance	<u>(2,063)</u>	<u>(1,937)</u>
	<u>£74,999</u>	<u>£46,782</u>

There were three employees during the period (2014 three including the charity's director). There were no (2014 no) employees with emoluments above £60,000. No fees or remuneration were paid to Trustees (2014 nil). No expenses were reimbursed to Trustees or paid on their behalf (2014 nil).

3. TANGIBLE FIXED ASSETS

	Equipment and website £
COST	
At 1 August 2014	3,574
Additions	15,210
Disposals	-
At 31 July 2015	<u>18,784</u>
DEPRECIATION	
At 1 August 2014	3,462
Charge for the year	1,103
Disposals	-
At 31 July 2015	<u>4,565</u>
NET BOOK VALUE	
At 31 July 2015	<u>£14,219</u>
At 31 July 2014	<u>£112</u>

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

THE DAVID HUME INSTITUTE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2015 (continued)

4. 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 tax exempt status and the liability of each member is restricted to one pound.

5. FINANCIAL COMMITMENTS

The Institute has a commitment for annual property rental of £14,231 (2014 £13,816) which is renewable annually.

6. DEFERRED INCOME

Deferred income includes attendance fees where the income is deferred until the relevant event has occurred and donation income deferred until it is certain attached conditions are within the charity's control:

	2015 £	2014 £
Event fees for future events	3,080	-
Research funding	<u>40,000</u>	<u>-</u>
	<u>£43,080</u>	<u>£ -</u>

7. MOVEMENT ON FUNDS

	At 01/08/14	Incoming Resources	Outgoing Resources	Net Movement	Inter-fund transfers	At 31/07/15
Unrestricted funds:						
General fund	<u>137,935</u>	<u>148,369</u>	<u>(150,185)</u>	<u>(1,816)</u>	<u>30</u>	<u>136,149</u>
Total unrestricted funds	<u>137,935</u>	<u>148,369</u>	<u>(150,185)</u>	<u>(1,816)</u>	<u>30</u>	<u>136,149</u>
Restricted funds:						
Awards for All	<u>142</u>	<u>-</u>	<u>(112)</u>	<u>(112)</u>	<u>(30)</u>	<u>-</u>
Total restricted funds	<u>142</u>	<u>-</u>	<u>(112)</u>	<u>(112)</u>	<u>(30)</u>	<u>-</u>
TOTAL FUNDS	<u>£138,077</u>	<u>£148,369</u>	<u>£(150,297)</u>	<u>£(1,928)</u>	<u>£ -</u>	<u>£136,149</u>

THE DAVID HUME INSTITUTE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2015 (continued)

7. MOVEMENT ON FUNDS (continued)

Purpose of each restricted fund:

Awards for All Funding for a website and office equipment which has contributed to expansion and diversification.

8. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Assets and liabilities are analysed between the charity's funds as follows:

	Unrestricted funds	Restricted funds	2015 Total	2014 Total
	£	£	£	£
Fixed assets	14,219	-	14,219	112
Net current assets	<u>121,930</u>	<u>-</u>	<u>121,930</u>	<u>137,965</u>
	<u>£136,149</u>	<u>£ -</u>	<u>£136,149</u>	<u>£138,077</u>

9. RELATED PARTIES

The David Hume Institute is a members' organisation and does not consider itself to be controlled by any individual party other than to the extent to which it can be influenced by its Trustees. Due to its nature and the composition of its Board of Trustees, transactions with related parties will arise, for example, in the form of annual subscriptions, and sponsorship and research funding to the Institute. These are not disclosed where the Trustees are not able to effect control over the organisations with which they are involved or employed. Jo Elliot, a Trustee of the Institute, is also a Trustee of the Binks Trust which was a principal donor to the Institute during the year. Jenny Stewart, a Trustee of the Institute, is also a partner in KPMG which sponsored an event during the year.