

**Adam Smith Services Limited**

**FINANCIAL STATEMENTS**


**for the year ended**

**31 December 2013**

THURSDAY  
TUESDAY



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 27/11/2014  
 #154  
 COMPANIES HOUSE



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 30/09/2014  
 #348  
 COMPANIES HOUSE

**Adam Smith Services Limited**  
DIRECTORS, OFFICERS AND ADVISORS

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DIRECTORS

Mr P Young  
Mr W S Morrison (Managing Director)  
Mr R Slee (Chairman)  
Sir M Rifkind (Non executive)  
Mr L Bunn  
Mr A Shrivastava  
Mr J Pell

SECRETARY

Mr P Young

COMPANY NUMBER

5648068 (England and Wales)

REGISTERED OFFICE

3 Albert Embankment  
London  
SE1 7SP  
United Kingdom

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## Adam Smith Services Limited

### DIRECTORS' REPORT

The Directors present their Annual Report on the affairs of Adam Smith Services Limited (hereafter "the Company") together with the accounts for the year ended 31 December 2013

#### PRINCIPAL ACTIVITIES

The principal activity of the Company remained unchanged during the current financial year. The Company provides management advisory, legal, human resource management, book keeping and information technology management services to companies within The Adam Smith Advisory Group Limited group of companies.

#### RESULTS AND DIVIDENDS

Turnover for the year was £833,918 (2012 £757,064). Profit on ordinary activities before taxation was £23,756 (2012 £20,159).

No dividends were declared during the current financial year (2012 £nil).

The Company operates a defined contribution pension scheme. Contributions during the current year amounted to £13,275 (2012 £10,401).

#### THIRD PARTY INDEMNITY INSURANCE PROVISION FOR DIRECTORS

Qualifying third party indemnity insurance provision was in place for the benefit of all directors of the company.

#### DIRECTORS

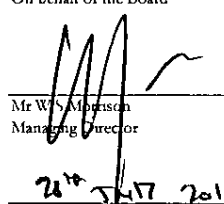
The following directors have held office since 1 January 2013:

Mr P Young  
Mr W S Morrison (Managing Director)  
Mr R Snee (Chairman)  
Sir M Rifkind (Non executive)  
Mr L Bunn  
Mr A Shrivastava  
Mr J Pell (Appointed 28th October 2013)

This report has been prepared in accordance with the provisions of the Companies Act 2006 applicable to companies subject to the small companies regime.

3 Albert Embankment  
London  
SE1 7SP  
United Kingdom  
(registered office)

On behalf of the Board

  
Mr W S Morrison  
Managing Director

28<sup>th</sup> Jan 2014  
Date

**Adam Smith Services Limited****PROFIT AND LOSS ACCOUNT**

for the year ended 31 December 2013

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	<i>Notes</i>	2013 £	2012 £
TURNOVER		833,918	757,064
Cost of sales		<u>(580,566)</u>	<u>(522,468)</u>
GROSS PROFIT		253,352	234,596
Operating Expenses	1	<u>(229,566)</u>	<u>(214,433)</u>
OPERATING PROFIT		23,786	20,163
Investment income		<u>-</u>	<u>-</u>
		23,786	20,163
Interest paid		<u>(30)</u>	<u>(4)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2	23,756	20,159
Taxation	4	<u>237</u>	<u>(7,528)</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	10	<u>23,993</u>	<u>12,631</u>

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The operating profit for the year arises from the Company's continuing operations

No separate Statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the Profit and Loss Account

# Adam Smith Services Limited

BALANCE SHEET

31 December 2013

Company Registration No 5648068

	Notes	2013 £	2012 £
FIXED ASSETS			
Tangible assets	5	151,499	107,927
CURRENT ASSETS			
Debtors	6	337,483	215,362
Bank account		6,087	33,109
		343,570	248,471
CREDITORS Amounts falling due within one year	7	(202,762)	(98,773)
NET CURRENT ASSETS		140,808	149,698
TOTAL ASSETS LESS CURRENT LIABILITIES		292,307	257,625
PROVISIONS FOR LIABILITIES	8	19,313	8,624
NET ASSETS		272,994	249,001
CAPITAL AND RESERVES			
Called up share capital	9	1	1
Profit and loss account	10	272,993	249,000
SHAREHOLDERS' FUNDS	11	272,994	249,001

For the year ending 31 December 2013 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies and its members have not required the company to obtain an audit of its financial statements for the year in question in accordance with sections 476

The Directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime

The financial statements on pages 3 to 8 were approved by the board of directors and authorised for issue on 24<sup>th</sup> Jan 2014 and signed on its behalf by

Mr W S Morrison  
Director

Mr P Young  
Director

## Adam Smith Services Limited

### ACCOUNTING POLICIES

31 December 2013

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#### **BASIS OF ACCOUNTING**

The accounts have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from the requirement to produce a cash flow statement on the grounds that it is a subsidiary undertaking where 90 percent or more of the voting rights are controlled within the group and it is included within the consolidated accounts that are publicly available.

#### **GOING CONCERN**

The Company has met its day-to-day working capital requirements through support from its immediate parent company, Adam Smith International Limited. Continued support will be received from the immediate parent undertaking, and so the directors consider it appropriate to prepare the accounts on a going concern basis.

#### **TANGIBLE FIXED ASSETS**

Fixed assets are stated at historical cost less depreciation.

Depreciation is provided on all tangible fixed assets at rates calculated to write each asset down to its estimated residual value evenly over its expected useful life, as follows:

Furniture	10% Straight line
IT equipment	33% Straight line
Office equipment	33% Straight line

#### **TAXATION**

Taxable losses are sold to group companies, at the appropriate tax rates paid by the relevant company.

#### **DEFERRED TAXATION**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arises from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

#### **TURNOVER**

Turnover represents the value net of Value Added Tax, of goods sold and services provided to customers. Turnover comprises various services, including human resource, IT and managerial services, provided to other companies within the same group.

#### **PENSIONS CONTRIBUTIONS**

For defined contribution schemes the amount charged to the profit and loss account in respect of pension costs is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

**Adam Smith Services Limited**  
NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 December 2013

<b>1 OTHER OPERATING EXPENSES (NET)</b>	2013	2012
	£	£
Administrative expenses	<u>229,566</u>	<u>214,433</u>
<b>2 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	2013	2012
	£	£
Profit on ordinary activities before taxation is stated after charging		
Depreciation on tangible assets		
Charge for the year on owned assets	<u>56,562</u>	<u>46,859</u>
<b>3 EMPLOYEES</b>	2013	2012
	£	£
<b>DIRECTORS' REMUNERATION</b>		
Emoluments for qualifying services	-	78,954
Company pension contributions to money purchase schemes	<u>-</u>	<u>2,231</u>
	<u>-</u>	<u>81,185</u>
Number of directors for whom retirement benefits are accruing under money purchase pension schemes	<u>-</u>	<u>1</u>
<b>4 TAXATION</b>	2013	2012
	£	£
Domestic current year tax		
UK corporation tax		
Current tax on profits of the year	-	8,018
Group relief payments made	(7,056)	-
Adjustments for prior years	<u>(3,870)</u>	<u>298</u>
Total current tax	<u>(10,926)</u>	<u>8,316</u>
Deferred tax		
Origination and reversal of timing differences	<u>10,689</u>	<u>(788)</u>
Total deferred tax	<u>10,689</u>	<u>(788)</u>
Tax on profit on ordinary activities	<u>(237)</u>	<u>7,528</u>
Profit on ordinary activities before taxation	<u>23,756</u>	<u>20,159</u>
Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 23.25% (2012: 20%)	5,522	4,032
Effects of		
Expenses not deductible for tax purposes	179	4,155
Capital allowances in excess of depreciation	(12,757)	(169)
Under provision for previous year	(3,870)	298
Other tax adjustments	-	-
Current tax charge for the year	<u>(10,926)</u>	<u>8,316</u>

# Adam Smith Services Limited

NOTES TO THE FINANCIAL STATEMENTS (continued)  
for the year ended 31 December 2013

## 5 TANGIBLE FIXED ASSETS

	Office equipment £	Furniture £	IT equipment £	Total £
Cost				
1 January 2013	46,168	12,089	184,866	243,123
Additions	16,067	12,745	71,322	100,134
31 December 2013	62,235	24,834	256,188	343,257
1 January 2013	6,201	7,305	121,690	135,196
Charge in the year	5,115	6,545	44,902	56,562
31 December 2013	11,316	13,850	166,592	191,758
Net book value				
31 December 2013	50,919	10,984	89,596	151,499
31 December 2012	39,967	4,784	63,176	107,927

## 6 DEBTORS

	2013 £	2012 £
Due within one year		
Amounts due from group undertakings	310,357	207,893
Other debtors	27,126	7,469
	<u>337,483</u>	<u>215,362</u>

## 7 CREDITORS Amounts falling due within one year

	2013 £	2012 £
Trade creditors	96,717	26,513
Corporation tax	230	7,963
Other accruals	105,815	64,297
	<u>202,762</u>	<u>98,773</u>

## 8 PROVISIONS FOR LIABILITIES

Provision for deferred tax has been made as follows

	2013 £	2012 £
Accelerated capital allowances	<u>19,313</u>	<u>8,624</u>
Provision at start of year	8,624	9,412
Deferred tax charge/(credit) in the profit and loss account for the year	<u>10,689</u>	<u>(788)</u>
Provision at end of year	<u>19,313</u>	<u>8,624</u>

## 9 SHARE CAPITAL

	2013 £	2012 £
Allotted, issued and fully paid		
1 ordinary share of £1 each	<u>1</u>	<u>1</u>



**Adam Smith Services Limited**

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 31 December 2013

**10 STATEMENT OF MOVEMENT ON RESERVES**

	Profit and loss account £
31 December 2012	249,000
Profit for the year	23,993
31 December 2013	<u>272,993</u>

**11 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	2013 £	2012 £
Profit for the financial year	23,993	12,631
Opening shareholders' funds	<u>249,001</u>	<u>236,370</u>
Closing shareholders' funds	<u>272,994</u>	<u>249,001</u>

**12 PENSION COMMITMENTS**

	2013 £	2012 £
DEFINED CONTRIBUTION		
Contributions payable by the company for the year	<u>13,275</u>	<u>10,401</u>

**13 RELATED PARTY TRANSACTIONS**

The company has taken advantage of the exemption conferred by Financial Reporting Standards No 8 from the requirement to make disclosures concerning other group companies, since it is a wholly owned subsidiary of a company preparing consolidated financial statements

**14 CONTROL**

The immediate parent company is Adam Smith International Limited, a company incorporated in England and Wales. The ultimate parent undertaking is Adam Smith Advisory Group Limited. There is no ultimate controlling party.

The registered address for Adam Smith Advisory Group Limited is 3 Albert Embankment, London, SE1 7SP and group accounts are available from this address.