

SOCIETY OF BUSINESS ECONOMISTS  
(A COMPANY LIMITED BY GUARANTEE)  
COMPANY NO. 667616  
FINANCIAL STATEMENTS  
30 JUNE 2003



SOCIETY OF BUSINESS ECONOMISTS  
(A COMPANY LIMITED BY GUARANTEE)  
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30 JUNE 2003

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(A COMPANY LIMITED BY GUARANTEE)

## COUNCILS REPORT

30 JUNE 2003

The Council present their report and the financial statements of the Society for the year ended 30 June 2003.

### STATEMENT OF DIRECTORS RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit and loss for that period. In preparing those financial statements, the directors are required to:

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

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for prevention and detection of fraud and other irregularities.

### RESULTS AND REVIEW OF ACTIVITIES

Council felt that the significant achievement of reaching the 50<sup>th</sup> anniversary in 2003 should be marked and a book, *The Challenge Of Change – 50 years of Business Economics*, was published in June at a cost to the society of £13,325, part of which may subsequently be recovered through sales. A celebratory event to formally launch the book is to be held in September 2003 at the St.Ermins Hotel, where the society held its first meeting in 1953.

### ACTIVITIES

The principal activity of the company is the advancement, spreading and exchange among economists and others of knowledge relating to the use of economics, and the maintenance and improvement of standards of competence among economists.

### INCORPORATION

The Society, which is limited by guarantee, is incorporated under the Companies Act 1985, registration number 667616. Members liability is limited to £1.

(A COMPANY LIMITED BY GUARANTEE)

COUNCILS REPORT (CONT'D)

30 JUNE 2003

COUNCIL MEMBERSHIP

The members who served during the year, all of whom are directors, were as follows:

J. P. Calverley (Chairman)  
C. P. H. Burton (Treasurer)  
J. A. Hirst (Secretary)  
Ms. K. M. Barker  
A. Chester  
Mrs. R. M. Connell  
Ms. J. Leyland  
G. P. Lyons  
I. A. McCafferty  
A. B. Milligan  
A. W. Sentence  
D. R. Walton

HON. SECRETARY: J. A. Hirst

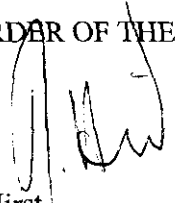
REGISTERED OFFICE: International House, Queens Road, Brighton, BN1 3XE

AUDITORS

Our auditors, BDO Stoy Hayward, Brighton office merged with Baker Tilly with effect from 31 March 2003 and have signed their audit report in their new name. A resolution to reappoint Baker Tilly as auditors to the company will be proposed at the Annual General Meeting.

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

BY ORDER OF THE BOARD



J. A. Hirst  
Hon. Secretary

Date: 6 October 2003

(A COMPANY LIMITED BY GUARANTEE)

INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF  
SOCIETY OF BUSINESS ECONOMISTS

We have audited the financial statements on pages 4 to 8.

This report is made solely to the company's members, as a body, in accordance with section 235 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 directors and auditors**

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

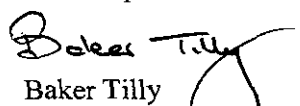
**Basis of opinion**

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**Opinion**

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 30 June 2003 and of its results for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

  
Baker Tilly  
Chartered Accountants  
Registered Auditors  
Brighton

Date: 6 October 2003

(A COMPANY LIMITED BY GUARANTEE)

## PROFIT AND LOSS ACCOUNT

YEAR ENDED 30 JUNE 2003

	Note	2003 £	2002 £
TURNOVER		38,090	32,432
OTHER OPERATING INCOME		<u>57,480</u>	<u>55,942</u>
		95,570	88,374
Administrative expenses		(55,413)	(51,999)
Other operating expenses		<u>(49,726)</u>	<u>(46,600)</u>
OPERATING LOSS	2	(9,569)	(10,225)
Income from investments		4,433	7,085
Interest receivable and similar income		1,792	1,494
Provision for diminution in value of investments		<u>(4,019)</u>	<u>(16,180)</u>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(7,363)	(17,826)
Tax on loss on ordinary activities	3	-	282
(LOSS)/PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		<u>(7,363)</u>	<u>(17,544)</u>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains or losses other than those passing through the profit and loss account.

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## BALANCE SHEET

30 JUNE 2003

	Note	£	2003 £	£	2002 £
<b>FIXED ASSETS</b>					
Tangible fixed assets	4		2,015		4,107
Investments	5		85,779		90,932
<b>CURRENT ASSETS</b>					
Stocks	6	6,600		-	
Debtors and Prepayments	7	1,612		4,339	
Cash at bank and in hand		88,277		83,755	
		<u>96,489</u>		<u>88,094</u>	
<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	8	<u>(17,112)</u>		<u>(8,599)</u>	
<b>NET CURRENT ASSETS</b>			<u>79,377</u>		<u>79,495</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>167,171</u>		<u>174,534</u>
<b>ACCUMULATED SURPLUS</b>	9		<u>167,171</u>		<u>174,534</u>

These financial statements have been produced in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Approved by the Council on 6 October 2003

J. P. Calverley )  
 ) Members of the  
 ) Council  
 C. P. H. Burton )

*J. P. Calverley*  
*C. P. H. Burton*

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## NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2003

## 1. ACCOUNTING POLICIES

The policies followed for dealing with items which are judged to be material to the financial statements are set out below.

## ACCOUNTING CONVENTION

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards.

## TURNOVER

Turnover represents members subscriptions receivable for the year.

## TANGIBLE FIXED ASSETS

Tangible fixed assets are written off in equal annual instalments over their expected useful economic lives as follows:

Office equipment - 4 years

## INVESTMENTS

Investments are stated at cost less provision for any permanent diminution in value.

## STOCKS

Stock is valued at the lower of cost and net realisable value.

## 2. OPERATING LOSS

Operating loss is stated after charging:

	2003 £	2002 £
Auditors remuneration	800	750
Depreciation	<u>2,191</u>	<u>2,417</u>

## 3. TAXATION

The Society is not liable for corporation tax on its trading income as the Inland Revenue have accepted that this is mutual trading. Corporation tax arises on the Society's investment income and other non-trading income. The Inland Revenue, by concession, have agreed that they will not collect corporation tax arising on investment income provided it remains at current levels and accordingly no provision is incorporated in these financial statements.

	2003 £	2002 £
Income and bank interest received at 10% (2002: 10%)	-	-
Over provision in respect of prior year	-	(282)
	<u>-</u>	<u>(282)</u>



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## NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2003

## 4. TANGIBLE FIXED ASSETS

	Office Equipment £
Cost	
1 July 2002	17,257
Additions	99
30 June 2003	<u>17,356</u>
Depreciation	
1 July 2002	13,150
Provision	2,191
30 June 2003	<u>15,341</u>
Net book value	
30 June 2003	<u>2,015</u>
30 June 2002	<u>4,107</u>

## 5. INVESTMENTS

	Listed Investments £	Other Investments £	Total £
Cost			
1 July 2002	2,567	104,545	107,112
Disposals	-	(16,772)	(16,772)
Additions	-	15,638	15,638
30 June 2003	<u>2,567</u>	<u>103,411</u>	<u>105,978</u>
Provision for diminution in value			
1 July 2002	-	(16,180)	(16,180)
Provision in year	-	(4,019)	(4,019)
30 June 2003	<u>-</u>	<u>(20,199)</u>	<u>(20,199)</u>
Net book value			
30 June 2003	<u>2,567</u>	<u>83,212</u>	<u>85,779</u>
30 June 2002	<u>2,567</u>	<u>88,365</u>	<u>90,932</u>
Market Value			
30 June 2003	<u>30,960</u>	<u>84,071</u>	<u>115,031</u>

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## NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2003

## 6. STOCKS

	2003 £	2002 £
Anniversary books	<u>6,600</u>	<u>-</u>

## 7. DEBTORS

	2003 £	2002 £
Trade debtors	1,410	3,783
Prepayments	202	556
	<u>1,612</u>	<u>4,339</u>

## 8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2003 £	2002 £
Subscriptions	11,790	3,450
Corporation tax	-	-
Other creditors	2,672	2,649
Accruals and deferred income	2,650	2,500
	<u>17,112</u>	<u>8,599</u>

## 9. ACCUMULATED SURPLUS

	2003 £	2002 £
At the date of incorporation	511	511
From incorporation to 30 June 2002	174,023	191,567
Deficit for the year	(7,363)	(17,544)
	<u>167,171</u>	<u>174,534</u>