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SOCIETY OF BUSINESS ECONOMISTS
(A COMPANY LIMITED BY GUARANTEE)
COMPANY NO. 667616
FINANCIAL STATEMENTS
30 JUNE 2001



SOCIETY OF BUSINESS ECONOMISTS
(A COMPANY LIMITED BY GUARANTEE)
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30 JUNE 2001

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(A COMPANY LIMITED BY GUARANTEE)

COUNCILS REPORT

30 JUNE 2001

The Council present their report and the financial statements of the Society for the year ended 30 June 2001.

STATEMENT OF DIRECTORS RESPONSIBILITIES

Company law requires the Council members 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 Council members are required to:

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

The Council members 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 DIVIDENDS

The Council are satisfied with the results for the year and do not envisage any significant changes in the forthcoming year. The Council is not permitted to recommend the payment of a dividend.

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.

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COUNCILS REPORT (CONT'D)

30 JUNE 2001

COUNCIL MEMBERSHIP

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

J.P. Calverley (Chairman)

C Burton (Treasurer)

A Chester

Mrs. R.M. Connell

J.A. Hirst

Ms J. Leyland

G.P. Lyons

A.B. Milligan

A. Sentance

J. Walsh

D.R. Walton

HON. SECRETARY: James Walsh

REGISTERED OFFICE: Nile House, Nile Street, Brighton, BN1 1JB

AUDITORS

The auditors, BDO Stoy Hayward, offer themselves for re-appointment and a resolution to this effect 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. Walsh

Hon. Secretary

Date: 17-9-2001

(A COMPANY LIMITED BY GUARANTEE)

INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF
SOCIETY OF BUSINESS ECONOMISTS

We have audited the annual financial statements of Society of business Economists on pages 4 to 8 for the year ended 30 June 2001. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described in the statement of directors' responsibilities on page 1 the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Accounting 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 Council's 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 Council's report and consider the implications for our report if we become aware of any apparent misstatements within it.

BASIS OF AUDIT 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 2001 and of its results for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



BDO Stoy Hayward

Chartered Accountants
Registered Auditors
Brighton

Date: 1 October 2001

(A COMPANY LIMITED BY GUARANTEE)

PROFIT AND LOSS ACCOUNT

YEAR ENDED 30 JUNE 2001

| | Note | 2001 £ | 2000 £ |
|--|------|---------------------|---------------------|
| TURNOVER | | 32,211 | 33,028 |
| OTHER OPERATING INCOME | | <u>51,715</u> | <u>39,970</u> |
| | | 83,926 | 72,998 |
| Administrative expenses | | (50,436) | (47,428) |
| Other operating expenses | | <u>(36,969)</u> | <u>(26,237)</u> |
| OPERATING (LOSS) | 2 | (3,479) | (667) |
| Income from investments | | 6,951 | 7,457 |
| Interest receivable and similar income | | <u>2,352</u> | <u>2,985</u> |
| PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION | | 5,824 | 9,775 |
| Tax on profit on ordinary activities | 3 | (389) | (1,597) |
| PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION | | <u><u>5,435</u></u> | <u><u>8,178</u></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 2001

| | Note | £ | 2001 £ | £ | 2000 £ |
|---|------|---------------|----------------|---------------|----------------|
| FIXED ASSETS | | | | | |
| Tangible fixed assets | 4 | | 4,978 | | 5,815 |
| Investments | 5 | | 137,128 | | 137,128 |
| CURRENT ASSETS | | | | | |
| Debtors and Prepayments | 6 | 3,205 | | 2,057 | |
| Cash at bank and in hand | | 61,089 | | 58,447 | |
| | | <u>64,294</u> | | <u>60,504</u> | |
| CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR | 7 | (14,322) | | (16,804) | |
| NET CURRENT ASSETS | | | <u>49,972</u> | | <u>43,700</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | <u>192,078</u> | | <u>186,643</u> |
| ACCUMULATED SURPLUS | 8 | | <u>192,078</u> | | <u>186,643</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 17.9.2001

J P CALVERLEY)
) Members of the
) Council
 C. BURTON)

J P Calverley
C. Burton

(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2001

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 diminution in value.

2. OPERATING LOSS

Operating loss is stated after charging:

| | 2001 £ | 2000 £ |
|-----------------------|--------------|--------------|
| Auditors remuneration | 750 | 700 |
| Depreciation | <u>2,511</u> | <u>2,549</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.

| | 2001 £ | 2000 £ |
|--|------------|--------------|
| Tax attributable to franked investment income | - | 735 |
| Corporation tax charge on unfranked investment | | |
| Income and bank interest received at 10.00% (2000: 15.78%) | 389 | 862 |
| | <u>389</u> | <u>1,597</u> |

(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2001

4. TANGIBLE FIXED ASSETS

| | Office Equipment £ |
|----------------|--------------------------|
| Cost | |
| 1 July 2000 | 17,154 |
| Additions | 1,674 |
| Disposals | (3,117) |
| 30 June 2001 | <u>15,711</u> |
| Depreciation | |
| 1 July 2000 | 11,339 |
| Provision | 2,511 |
| Disposals | (3,117) |
| 30 June 2001 | <u>10,733</u> |
| Net book value | |
| 30 June 2001 | <u>4,978</u> |
| 30 June 2000 | <u>5,815</u> |

5. INVESTMENTS

| | Listed Investments £ | Other Investments £ | Total £ |
|--------------|----------------------------|---------------------------|----------------|
| Cost | | | |
| 1 July 2000 | 2,567 | 134,561 | 137,128 |
| Additions | - | - | - |
| Disposals | - | - | - |
| 30 June 2001 | <u>2,567</u> | <u>134,561</u> | <u>137,128</u> |
| Market Value | | | |
| 30 June 2001 | <u>50,985</u> | <u>141,784</u> | <u>192,769</u> |

(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2001

6. DEBTORS

| | 2001 £ | 2000 £ |
|---------------|--------------|--------------|
| Trade debtors | 2,994 | 1,690 |
| Prepayments | 211 | 367 |
| | <u>3,205</u> | <u>2,057</u> |

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2001 £ | 2000 £ |
|------------------------------|---------------|---------------|
| Subscriptions | 8,860 | 10,985 |
| Corporation tax | 389 | 862 |
| Other creditors | 2,632 | 2,574 |
| Accruals and deferred income | 2,441 | 2,383 |
| | <u>14,322</u> | <u>16,804</u> |

8. ACCUMULATED SURPLUS

| | 2001 £ | 2000 £ |
|------------------------------------|----------------|----------------|
| At the date of incorporation | 511 | 511 |
| From incorporation to 30 June 2000 | 186,132 | 177,954 |
| Surplus for the year | 5,435 | 8,178 |
| | <u>192,078</u> | <u>186,643</u> |