

**THE SCIENTIFIC EXPLORATION SOCIETY
(Limited by Guarantee)**

**(Registered number: 1145214)
(Registered Charity number: 267410)**

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2002**



THE SCIENTIFIC EXPLORATION SOCIETY

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THE SCIENTIFIC EXPLORATION SOCIETY
REPORT OF THE MEMBERS OF THE COUNCIL
FOR THE YEAR ENDED 30 JUNE 2002

The Members of the Council submit their annual report and audited financial statements for the year ended 30 June 2002.

Objects

The objects of the charity are to promote, organise and support expeditions for the exploration of under-developed regions of the earth for the purpose of advancing knowledge of, or research into, or for the purpose of educating individuals in the geography, history, archaeology, sociology, economics, ecology, geology etc of the said regions.

Members of the Council

The Members of the Council (who are the trustees of the charity and directors of the charitable company) who held office during the year and subsequently were:

J N Blashford-Snell (Chairman)
A W Mitchell
R Cartwright
J Davies
D M Young FCA (Treasurer)
J Warburton-Lee
B Moss
W A Bental
A Lister
A Nicholas

The Trustees are elected by the members of the Society in general meeting.

As the company is limited by guarantee, there is no share capital in which the Members can hold beneficial interests. None of the Members held any interests in the shares or debentures of or rights to subscribe for shares or debentures in any group company during the year.

Principal activity and review of developments

The principal activity of the charity has been the organisation and support of expeditions. The major project during the year was the continuation of the third phase of the Kota Mama expedition, an approved project involving archaeological, anthropological and biological programmes in Argentina, Bolivia, Brazil and Paraguay. Other projects have been organised in Malawi, Nagaland and India where tasks involving community aid, environmental studies and wild life conservation have been carried out.

The Society has organised meetings in London and elsewhere at which lectures on scientific exploration were given.

THE SCIENTIFIC EXPLORATION SOCIETY
REPORT OF THE MEMBERS OF THE COUNCIL
FOR THE YEAR ENDED 30 JUNE 2002

Principal activity and review of developments (continued)

The Society continues to advise a great many people on the conduct of scientific exploration and to carry out feasibility studies for future projects. It also liaises with schools, scientific establishments and the Armed Forces.

The principal activity of the subsidiary company, Operation Raleigh Promotions Limited, is to promote products such as photographs, films and books derived from the activities of The Scientific Exploration Society.

Advisers

The advisers to the Charity during the year have been:

Bankers	National Westminster Bank The Commons Shaftsbury Dorset SP7 8JY
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Auditors	Clark Brownscombe 8 The Drive Hove BN3 3JT
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The charity's registered address is:	26 Chertsey Road Chobham Surrey GU24 8NB
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The governing instrument of the charity is the Memorandum and Articles of Association.

Investment Powers

These are governed by the Memorandum and Articles of Association which permit the funds to be invested in any security as may be thought fit.

Reserves policy

The trustees seek to maintain adequate unrestricted reserves to enable the smooth day to day operations of the charity.

The trustees consider that the assets of the charity are sufficient to meet the charity's obligations on a fund by fund basis, and that the current level of unrestricted reserves should be maintained to meet the expected expenditure and potential commitments of the Society in the forthcoming year.

Risk Review

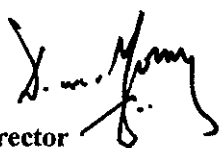
The trustees consider that appropriate systems are in place within the organisation to ensure that any risks to which the society is exposed are identified and that such risks are minimised.

THE SCIENTIFIC EXPLORATION SOCIETY
REPORT OF THE MEMBERS OF THE COUNCIL
FOR THE YEAR ENDED 30 JUNE 2002

Auditors

A resolution to re-appoint the auditors Clark Brownscombe, will be proposed at the Annual General Meeting.

By order of the Council


Director

26 Chertsey Road
Chobham
Surrey
GU24 8NB

Date: 5 March, 2003

THE SCIENTIFIC EXPLORATION SOCIETY
STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 30 JUNE 2002

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 or loss of the company 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The trustees 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 that the financial statements comply with the Companies Act 1985. They have general responsibilities for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

THE SCIENTIFIC EXPLORATION SOCIETY

INDEPENDENT AUDITORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2002

We have audited the financial statements of The Scientific Exploration Society for the year ended 30 June 2002 which comprise the Statement of Financial Activities, the Balance Sheet and related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

Respective responsibilities of trustees and auditors

The Trustees' (who are also the Directors of The Scientific Exploration Society for the purposes of company law) responsibilities for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Trustees' 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 Trustees' Annual Report is not consistent with the financial statements, if the Charity has not kept proper accounting records, or if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Trustees' remuneration and transactions with the Charity is not disclosed.

We read other information contained in the Trustees' Annual Report, and consider whether it is consistent with the audited financial statements. 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 audit opinion

We conducted our audit in accordance with United Kingdom 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 Trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Charity'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 affairs of the Charity and the Group at 30 June 2002 and of its incoming resources and application of resources in the year then ended and have been properly prepared in accordance with the Companies Act 1985.

8 The Drive
Hove
East Sussex
BN3 3JT

Clark Brownscombe
Clark Brownscombe
Chartered Accountants
Registered Auditor

Date: *5 March 2003*

THE SCIENTIFIC EXPLORATION SOCIETY
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 30 JUNE 2002

	Note	Un- restricted funds 2002	Restricted funds 2002	Total 2002	2001
Income and expenditure					
Incoming resources					
Participants' contributions		243,634	60	243,694	177,218
Subscriptions	2	10,160	-	10,160	8,235
Donations	2	8,688	-	8,688	12,209
Events		12,498	-	12,498	11,081
Other income		276	-	276	316
Tax recovered on donations		398	-	398	24
Interest received		2,832	-	2,832	2,234
Activities for generating fund:			-	-	
Commercial trading operations	7	12,073	-	12,073	12,609
Total incoming resources		290,559	60	290,619	223,926
Less cost of generating fund:					
Commercial trading operations	7	5,574	-	5,574	5,034
Net incoming resources available for charitable application		284,985	60	285,045	218,892
Resources expended					
Costs in furtherance of charitable objectives	5	233,822	-	233,822	159,596
Costs of generating funds		3,976	-	3,976	4,015
Events		8,521	-	8,521	2,719
Management and administration	6	31,836	-	31,836	31,418
Total resources expended		278,155	-	278,155	197,748
Net incoming resources for the year		6,830	60	6,890	21,144
Balances brought forward at 1 July 2001		78,785	4,120	82,905	61,761
Balances carried forward at 30 June 2002		85,615	4,180	89,795	82,905

There are no recognised gains or losses in either year other than the net outgoing resources for the year.

There is no difference in either year between the results as disclosed above and the results on the historical cost basis.

All income and the net incoming resources for both the current and previous financial year arose from continuing operations of the group.

The notes on pages 9 to 12 form part of these financial statements

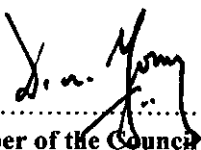
THE SCIENTIFIC EXPLORATION SOCIETY

CONSOLIDATED BALANCE SHEET

FOR THE YEAR ENDED 30 JUNE 2002

	Note	2002	2001
Fixed assets			
Tangible fixed assets	7	1,740	2,059
Current assets			
Debtors	8	21,429	86,153
Cash at bank and in hand		<u>114,220</u>	<u>78,012</u>
		135,649	164,165
Creditors: amounts falling due within one year	9	(47,594)	(83,319)
Net current assets		<u>88,055</u>	<u>80,846</u>
Net assets		<u>89,795</u>	<u>82,905</u>
Funds			
Unrestricted funds:			
General	10	83,042	76,235
Non-charitable trading funds		2,573	2,550
Restricted - Wai Wai fund	11	4,180	4,120
	12	<u>89,795</u>	<u>82,905</u>

The financial statements were approved by the Members of the Council on 5 March 2003 and were signed on its behalf by:


.....
Member of the Council

The notes on pages 9 to 12 form part of these financial statements

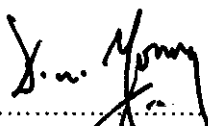
THE SCIENTIFIC EXPLORATION SOCIETY

COMPANY BALANCE SHEET

FOR THE YEAR ENDED 30 JUNE 2002

	Note	2002	2001
Fixed assets			
Tangible fixed assets	7	1,740	2,059
Investments	7	100	100
Current assets			
Debtors	8	19,260	85,728
Cash at bank and in hand		<u>112,195</u>	<u>75,475</u>
		131,455	161,203
Creditors: amounts falling due within one year	9	(46,073)	(83,007)
Net current assets		<u>85,382</u>	<u>78,196</u>
Net assets		<u><u>87,222</u></u>	<u><u>80,355</u></u>
Funds			
Unrestricted funds:			
General	10	83,042	76,235
Restricted - Wai Wai fund	11	4,180	4,120
		<u><u>87,222</u></u>	<u><u>80,355</u></u>

The financial statements were approved by the Members of the Council on *5 March, 2003* and were signed on its behalf by:


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Member of the Council

The notes on pages 9 to 12 form part of these financial statements

THE SCIENTIFIC EXPLORATION SOCIETY

FOR THE YEAR ENDED 30 JUNE 2002

Notes

(forming part of the financial statements)

1. Members

The company is registered as a charity and limited by guarantee. During the year there were 560 members (2001: 689), the liability of each member being limited to £5.

2. Principal accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the group's financial statements.

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with the Statement of Recommended Practice: Accounting by Charities and applicable accounting standards. Under Financial Reporting Standard 1, the group is exempt from the requirement to prepare a cash flow statement on the grounds of its size.

Basis of consolidation

The consolidated financial statements include the financial statements of the charity and its subsidiary undertaking for the year ended 30 June 2002. In accordance with Section 230 of the Companies Act 1985, a separate profit and loss account dealing with the results of the charity has not been presented.

Income and expenditure

Subscriptions and donations have been accounted for on a receipts basis. Expenditure has been accounted for on an accruals basis. The allocation of overheads has been consistent and reasonable.

Depreciation policy

Depreciation is provided to write off cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Fixtures and fittings	-	3 years
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Fixed asset investments are valued at market value.

3. Staff costs and auditors' remuneration

2 people were employed by the charitable company (2001: 2).

Salary and payroll costs were £34,980 (2001: £20,728), of these costs, £2,850 (2001: £1,543) related to social security costs.

The auditors' remuneration for the year which related solely to audit services was £1,057 (2001: £1,057). Directors' remuneration for the year was £nil (2001: £nil).

No Trustees, or connected persons, received any remuneration.

4. Taxation

The charity is entitled to exemption from taxation under S505(1) ICTA 1988 as a result of its charitable status. The charity's subsidiary has a tax charge for the year £nil (2001: £12).

THE SCIENTIFIC EXPLORATION SOCIETY

FOR THE YEAR ENDED 30 JUNE 2002

Notes (continued)

5. Costs in furtherance of charitable objectives

	Unrestricted	Restricted	2002 Total	2001 Total
Expedition costs	185,806	-	185,806	127,877
Salaries	34,980	-	34,980	20,728
Insurance	3,022	-	3,022	2,857
Office costs	10,014	-	10,014	7,668
Other costs	-	-	-	466
	<u>233,822</u>	<u>-</u>	<u>233,822</u>	<u>159,596</u>

6. Management and administration

	Unrestricted	Restricted	2002 Total	2001 Total
Depreciation	1,441	-	1,441	1,405
Administration salaries	10,837	-	10,837	10,704
Audit	1,057	-	1,057	953
Insurance	4,458	-	4,458	4,056
Office costs	14,043	-	14,043	14,300
	<u>31,836</u>	<u>-</u>	<u>31,836</u>	<u>31,418</u>

7. a) Tangible fixed assets

	Fixtures and fittings £
Cost	
At 1 July 2001	4,199
Additions	<u>1,626</u>
At end of year	<u>5,825</u>
Depreciation	
At 1 July 2001	2,140
Charged in year	<u>1,945</u>
At end of year	<u>4,085</u>
Net book value	
At 30 June 2002	<u>1,740</u>
At 30 June 2001	<u>2,059</u>

Assets held by the charity are used solely for office administrative purposes. The majority of the assets are second-hand and donated.

THE SCIENTIFIC EXPLORATION SOCIETY

FOR THE YEAR ENDED 30 JUNE 2002

Notes (continued)

b) Investments

	2002	2001
	£	£
Investment in subsidiary undertaking	<u>100</u>	<u>100</u>

The charity holds the entire issued share capital of Operation Raleigh Promotions Limited, a company which is registered in England and Wales. The company is engaged in the marketing of products arising from the activities of The Scientific Exploration Society. A summary of its trading results is shown below. Audited accounts will be available from Companies House.

	2001	2000
	£	£
Turnover	12,073	12,609
Cost of sales	<u>(5,234)</u>	<u>(4,672)</u>
Gross profit	6,839	7,937
Administrative expenses	<u>(340)</u>	<u>(356)</u>
Interest receivable	24	39
Gift aided to The Scientific Exploration Society	<u>(6,500)</u>	<u>(7,500)</u>
Profit on ordinary activities before taxation	23	120
Tax on profit on ordinary activities	<u>-</u>	<u>(6)</u>
Retained profit for the year	<u>23</u>	<u>114</u>

8. Debtors

	Group		Charity	
	2002	2001	2002	2001
	£	£	£	£
Other debtors	2,269	3,364	1,000	3,364
Prepayments and deferred expenditure	<u>19,160</u>	<u>82,789</u>	<u>18,260</u>	<u>82,364</u>
	<u>21,429</u>	<u>86,153</u>	<u>19,260</u>	<u>85,728</u>

9. Creditors: amounts falling due within one year

	Group		Charity	
	2001	2000	2001	2000
	£	£	£	£
Other creditors including taxation and social security	5,231	12	4,010	-
Accruals and deferred income	<u>42,363</u>	<u>83,307</u>	<u>42,063</u>	<u>83,007</u>
	<u>47,594</u>	<u>83,319</u>	<u>46,073</u>	<u>83,007</u>

THE SCIENTIFIC EXPLORATION SOCIETY

FOR THE YEAR ENDED 30 JUNE 2002

Notes (continued)

10. Unrestricted funds

The movement in unrestricted funds during both the current and prior years is the net unrestricted incoming resources for the year.

11. Restricted fund

The restricted fund relates to the Wai Wai Fund.

As a consequence of the society's work in Guyana, funds have been donated for the purchase of equipment and medical supplies to assist our efforts to help the Wai-Wai people, in the far south of Guyana, maintain their standard of living and develop new ideas, whilst conserving as much as possible of their unique cultural heritage.

12. Reconciliation of movements in total funds

	Group		Charity	
	2002	2001	2002	2001
	£	£	£	£
Net incoming resources for the year	6,890	21,144	6,867	21,030
Opening total funds	<u>82,905</u>	<u>61,761</u>	<u>80,355</u>	<u>59,325</u>
Closing total funds	<u>89,795</u>	<u>82,905</u>	<u>87,222</u>	<u>80,355</u>

The funds are represented by the following assets

	Unrestricted	Restricted	2002	2001
Fixed assets	1,840	-	1,840	2,159
Net current assets	81,202	4,180	85,382	78,196
	<u>83,042</u>	<u>4,180</u>	<u>87,222</u>	<u>80,355</u>

13. Related party transactions

The charitable company has use of an outbuilding owned by the Chairman of the Council, at no cost (2001: £nil).