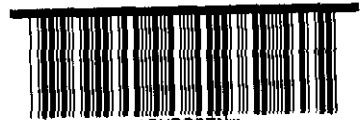


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**THE SCIENTIFIC EXPLORATION SOCIETY
(Limited by Guarantee)**

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

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2005**



A55 *APWRQCN* 619
COMPANIES HOUSE 16/02/2006

A28 *RZNUUWU* 45
COMPANIES HOUSE 07/02/2006

THE SCIENTIFIC EXPLORATION SOCIETY

Contents

Report of the Members of the Council	1 – 2
Statement of trustees' responsibilities	3
Report of the auditors	4 - 5
Consolidation statement of financial activities	6
Consolidated balance sheet	7
Company balance sheet	8
Notes	9 – 12

THE SCIENTIFIC EXPLORATION SOCIETY
REPORT OF THE MEMBERS OF THE COUNCIL
FOR THE YEAR ENDED 30 JUNE 2005

The Members of the Council submit their annual report and audited financial statements for the year ended 30 June 2005.

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 E Davies
D M Young FCA (Treasurer)
B Moss
W A Bentall
A Lister
A Nicholas
E M B Olley

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 fifth 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 South Africa, Panama and Mongolia, 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.

A donation of £79,000 was given during the year by Ambassador Eric Hotung CBE towards the organisation and operation of the various scientific and humanitarian expeditions carried out by the Society.

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.

THE SCIENTIFIC EXPLORATION SOCIETY
REPORT OF THE MEMBERS OF THE COUNCIL
FOR THE YEAR ENDED 30 JUNE 2005

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

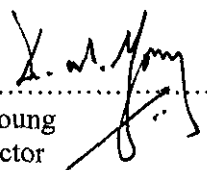
The trustees consider that appropriate systems are in place within the organisation to ensure that any risks to which the society is exposed are identified and that such risks are minimised.

Auditors

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

This report has been prepared in accordance with the Statement of Recommended Practice – Accounting and Reporting by Charities and in accordance with the Special Provisions of Part VII of the Companies Act 1985 relating to smaller companies.

By order of the Council


.....
D Young
Director

Date:

3 February 2006

26 Chertsey Road
Chobham
Surrey
GU24 8NB

THE SCIENTIFIC EXPLORATION SOCIETY
STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 30 JUNE 2005

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 2005

We have audited the financial statements of The Scientific Exploration Society for the year ended 30 June 2005 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.

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 auditor's 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 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.

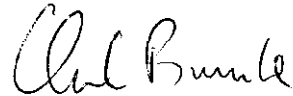
THE SCIENTIFIC EXPLORATION SOCIETY

INDEPENDENT AUDITORS' REPORT - continued

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 2005 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
Chartered Accountants
Registered Auditor**

Date:

3 February 2006

THE SCIENTIFIC EXPLORATION SOCIETY

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 30 JUNE 2005

	Note	Unrestricted funds 2005 £	Restricted funds 2005 £	Total Funds 2005 £	Total Funds 2004 £
Income and expenditure					
Incoming resources					
Participants' contributions		100,254	-	100,254	268,059
Subscriptions	2	9,138	-	9,138	8,318
Donations	2	92,604	-	92,604	9,736
Events		13,416	-	13,416	12,021
Other income		137	-	137	322
Tax recovered on donations		1,482	-	1,482	1,240
Interest received		4,904	-	4,904	3,069
Activities for generating fund:					
Commercial trading operations	7b	6,842	-	6,842	5,108
Total incoming resources		228,777	-	228,777	307,873
Less cost of generating fund:					
Commercial trading operations	7b	2,211	-	2,211	1,781
Net incoming resources available for charitable application		226,566	-	226,566	306,092
Charitable expenditure					
Direct charitable expenditure	5	124,029	-	124,029	261,506
Fundraising and publicity		17,925	-	17,925	4,074
Events		2,841	-	2,841	6,265
Management and administration	6	36,228	-	36,228	27,618
Total charitable expenditure		181,023	-	181,023	299,463
Net incoming resources for the year		45,543		45,543	6,629
Balances brought forward at 1 July 2004		106,795	-	106,795	100,166
Balances carried forward at 30 June 2005		152,338	-	152,338	106,795

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

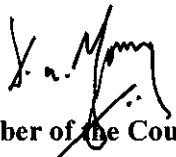
THE SCIENTIFIC EXPLORATION SOCIETY

CONSOLIDATED BALANCE SHEET

FOR THE YEAR ENDED 30 JUNE 2005

	Note	2005 £	2004 £
Fixed assets			
Tangible fixed assets	7a	1,200	653
Current assets			
Debtors	8	42,347	12,672
Cash at bank and in hand		<u>167,154</u>	<u>142,166</u>
		209,501	154,838
Creditors: amounts falling due within one year	9	(37,863)	(28,196)
Net current assets		<u>171,638</u>	<u>126,642</u>
Creditors: amounts falling due after one year	10	(20,500)	(20,500)
Net assets		<u>152,338</u>	<u>106,795</u>
Funds			
Unrestricted funds:			
General	11	148,730	105,843
Non-charitable trading funds		3,608	952
		<u>152,338</u>	<u>106,795</u>

The financial statements were approved by the Members of the Council on 16 January 2006 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 2005

	Note	2005 £	2004 £
Fixed assets			
Tangible fixed assets	7a	1,200	653
Investments	7b	100	100
Current assets			
Debtors	8	39,400	11,807
Cash at bank and in hand		166,053	141,654
		<u>205,453</u>	<u>153,461</u>
Creditors: amounts falling due within one year	9	<u>(37,523)</u>	<u>(27,871)</u>
Net current assets		167,930	125,590
Creditors: amounts falling due after one year	10	(20,500)	(20,500)
Net assets		<u>148,730</u>	<u>105,843</u>
Funds			
Unrestricted funds:			
General	11	148,730	105,843
		<u>148,730</u>	<u>105,843</u>

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

THE SCIENTIFIC EXPLORATION SOCIETY

FOR THE YEAR ENDED 30 JUNE 2005

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 510 members (2004: 519), 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 Financial Reporting Standard for Smaller Entities (effective June 2002), the Companies Act 1985 and follow the recommendations in Accounting and Reporting by Charities: Statement of Recommended Practice, issued in October 2000.

Basis of consolidation

The consolidated financial statements include the financial statements of the charity and its subsidiary undertaking for the year ended 30 June 2005. 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
-----------------------	---	---------

Fixed asset investments are valued at market value.

The company has a minimum value of £500 for capitalisation of fixed assets.

3. Staff costs and auditors' remuneration

3 people were employed by the charitable company (2004: 2).

Salary and payroll costs were £48,578 (2004: £35,746), of these costs, £3,805 (2004: £2,953) related to social security costs.

The auditors' remuneration for the year which related solely to audit services was £1,266 (2004: £1,297).

No Trustee received remuneration in the year for leading any of the Global Expeditions. (2004: £1,000). The amount of reimbursed expenses paid was £2,252 (2004: £2,660) in respect of travel and subsistence to three trustees during the year.

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 (2004: £nil).

THE SCIENTIFIC EXPLORATION SOCIETY

FOR THE YEAR ENDED 30 JUNE 2005

Notes (continued)

5. Costs in furtherance of charitable objectives

	Unrestricted £	Restricted £	2005 Total £	2004 Total £
Expedition costs	62,011	-	62,011	203,903
Salaries	38,329	-	38,329	35,746
Insurance	2,533	-	2,533	2,963
Office costs	<u>21,156</u>	<u>-</u>	<u>21,156</u>	<u>18,894</u>
	<u>124,029</u>	<u>-</u>	<u>124,029</u>	<u>261,506</u>

6. Management and administration

	Unrestricted £	Restricted £	2005 Total £	2004 Total £
Depreciation	1,292	-	1,292	1,300
Administration salaries	20,171	-	20,171	11,471
Audit	1,266	-	1,266	1,287
Insurance	2,520	-	2,520	2,483
Office costs	<u>10,979</u>	<u>-</u>	<u>10,979</u>	<u>11,077</u>
	<u>36,228</u>	<u>-</u>	<u>36,228</u>	<u>27,618</u>

7. a) Tangible fixed assets

	Fixtures and fittings £
Cost	
At 1 July 2004	7,862
Additions	<u>1,839</u>
At end of year	<u>9,701</u>
Depreciation	
At 1 July 2004	7,209
Charged in year	<u>1,292</u>
At end of year	<u>8,501</u>
Net book value	
At 30 June 2005	<u>1,200</u>
At 30 June 2004	<u>653</u>

Assets held by the charity are used solely for office administrative purposes. The majority of the assets are newly purchased.

THE SCIENTIFIC EXPLORATION SOCIETY

FOR THE YEAR ENDED 30 JUNE 2005

Notes (continued)

b) Investments

	2005	2004
	£	£
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.

	2005	2004
	£	£
Turnover	6,842	5,108
Cost of sales	<u>(1,746)</u>	<u>(1,297)</u>
Gross profit	5,096	3,811
Administrative expenses	<u>(465)</u>	<u>(484)</u>
Interest receivable	25	26
Gift aided to The Scientific Exploration Society	<u>(2,000)</u>	<u>(5,500)</u>
(Profit)/Loss on ordinary activities before taxation	2,656	(2,147)
Tax on profit on ordinary activities	—	—
Retained (loss)/ profit for the year	<u>2,656</u>	<u>(2,147)</u>

8. Debtors

	Group		Charity	
	2005	2004	2005	2004
	£	£	£	£
Other debtors	3,520	2,598	3,513	2,593
Prepayments and deferred expenditure	<u>38,827</u>	<u>10,074</u>	<u>35,887</u>	<u>9,214</u>
	<u>42,347</u>	<u>12,672</u>	<u>39,400</u>	<u>11,807</u>

9. Creditors: amounts falling due within one year

	Group		Charity	
	2005	2004	2005	2004
	£		£	
Other creditors including taxation and social security	2,367	1,461	2,367	1,461
Accruals and deferred income	<u>35,496</u>	<u>26,735</u>	<u>35,156</u>	<u>26,410</u>
	<u>37,863</u>	<u>28,196</u>	<u>37,523</u>	<u>27,871</u>

THE SCIENTIFIC EXPLORATION SOCIETY

FOR THE YEAR ENDED 30 JUNE 2005

Notes (continued)

10. Creditors: amounts falling due after one year

	Group		Charity	
	2005	2004	2005	2004
	£	£	£	£
Loan from Lord Gough	<u>20,500</u>	<u>20,500</u>	<u>20,500</u>	<u>20,500</u>

The loan is repayable at any time on not less than fourteen days written notice to the Society. No interest is payable on the loan.

11. **Unrestricted funds**

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

12. **Reconciliation of movements in total funds**

	Group		Charity	
	2005	2004	2005	2004
	£	£	£	£
Net incoming resources for the year	45,543	6,629	42,887	8,776
Opening total funds	<u>106,795</u>	<u>100,166</u>	<u>105,843</u>	<u>97,067</u>
Closing total funds	<u>152,338</u>	<u>106,795</u>	<u>148,730</u>	<u>105,843</u>

The group funds are represented by the following assets

	Unrestricted	Restricted	2005	2004
	£	£	£	£
Fixed assets	1,200	-	1,200	653
Net current assets	171,638	-	171,638	126,642
Creditors falling due after one year	<u>(20,500)</u>	<u>-</u>	<u>(20,500)</u>	<u>(20,500)</u>
	<u>152,338</u>	<u>-</u>	<u>152,338</u>	<u>106,795</u>

13. **Related party transactions**

The charitable company has use of an outbuilding owned by the Chairman of the Council, at no cost (2004: £nil).