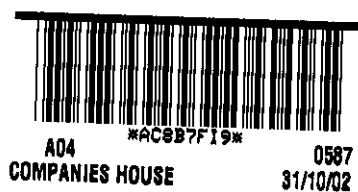


Company Number: 3493607

SOUTH EASTERN SOCIETY OF CHARTERED ACCOUNTANTS LIMITED
(A company limited by guarantee)

Financial Statements

for the year ended 31st December 2001



SOUTH EASTERN SOCIETY OF CHARTERED ACCOUNTANTS LIMITED
(A company limited by guarantee)

Company Information

Company No: 3493607

President

Linda Margaret Wiggins

Registered Office

3000 Cathedral Hill,
Guildford,
Surrey.
GU2 7YB.

Committee of Management

Linda Margaret Wiggins
Anthony John Bennewith
Ruairidh Iain Mackenzie
George William Holdstock
David Mark Spofforth
Charles Edward Hemming
Robin William Bell
Alexandra Durrant
Mark Alexander Howard
Malcolm Denison Kimber
Anthony Kenneth Meadows
Roger Swaffield

Secretary

Charles Edward Hemming

Auditors

Gibbons & Mannington
7/9 Wellington Square,
Hastings,
East Sussex.
TN34 1PD.

Bankers

Barclays Bank Plc
Gatwick Group,
90/92 High Street,
Crawley,
West Sussex.

SOUTH EASTERN SOCIETY OF CHARTERED ACCOUNTANTS LIMITED
(A company limited by guarantee)

Index

Page No.

1 and 2	Committee of Management Report
3	Auditors' Report
4	Income and Expenditure Account
5	Balance Sheet
6 to 11	Notes to the Financial Statements

SOUTH EASTERN SOCIETY OF CHARTERED ACCOUNTANTS LIMITED
(A company limited by guarantee)

Committee of Management Report

for the year ended 31st December 2001

The Committee of Management submit their report together with the audited financial statements for the year ended 31st December 2001.

Committee of Management Statement

Company law requires the Committee of Management 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 for that year. In preparing those financial statements the Committee of Management are required to:

Select suitable accounting policies and then apply them consistently;

Make judgements and estimates that are reasonable and prudent;

Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Committee of Management 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 the prevention and detection of fraud and other irregularities.

Results and Dividends

The surplus on the ordinary activities of the company before taxation amounted to £2,749. After deducting taxation, the surplus of £2,145 has been transferred to accumulated funds.

Principal Activity and Business Review

The principal activity of the company continued to be that of a District Society of The Institute of Chartered Accountants in England and Wales.

As members will be aware, sweeping changes were made to the structure of the District Societies in the summer of 2001 with, in particular, the creation of Regional Offices, the dismissal of staff and the curtailment of grants in favour of direct payment from the Institute. These changes are reflected in these financial statements. The provision of courses and conferences continues to thrive through the company's subsidiary Sesca Enterprises Limited.

The Committee of Management are satisfied that the District Society can continue to adapt to serve the needs of its members.

SOUTH EASTERN SOCIETY OF CHARTERED ACCOUNTANTS LIMITED
(A company limited by guarantee)

Committee of Management Report

for the year ended 31st December 2001

Committee of Management

The members of the Committee of Management who served during the year were as follows:

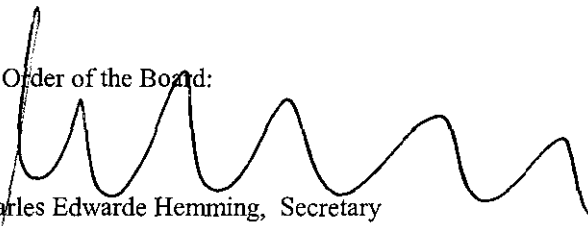
Linda Margaret Wiggins
Anthony John Bennewith
Ruairidh Iain Mackenzie
George William Holdstock
David Mark Spofforth
Charles Edward Hemming
Robin William Bell
Alexandra Durrant
Mark Alexander Howard
Malcolm Denison Kimber
Anthony Kenneth Meadows
Roger Swaffield

Anthony John Bennewith and David Mark Spofforth retire by rotation at the forthcoming Annual General Meeting and, both being eligible, offer themselves for re-election. George William Holdstock, Charles Edward Hemming and Mark Alexander Howard retire at the forthcoming Annual General Meeting, but do not seek re-election.

Auditors

The Auditors, Gibbons & Mannington, have indicated that they are willing to be reappointed at the forthcoming Annual General Meeting.

By Order of the Board:


Charles Edward Hemming, Secretary

20th March 2002

INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF
SOUTH EASTERN SOCIETY OF CHARTERED ACCOUNTANTS LIMITED
(A company limited by guarantee)

We have audited the financial statements of South Eastern Society of Chartered Accountants Limited for the year ended 31st December 2001 set out on pages 4 to 11, which have been prepared under the historical cost convention and the accounting policies set out on page 6.

Respective responsibilities of the committee of management and auditors

As described in the Committee of Management Statement on page 1 the company's committee of management are responsible for the preparation of the 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 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 Committee of Management 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 committee of management remuneration and transactions with the company is not disclosed.

We read the committee of management'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 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 committee of management 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 information and explanations which we consider 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, other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of the 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 as at 31st December 2001 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Gibbons & Mannington

Gibbons & Mannington

**Chartered Accountants
and Registered Auditors**

7/9 Wellington Square,
Hastings,
East Sussex.
TN34 1PD.

20th March 2002

SOUTH EASTERN SOCIETY OF CHARTERED ACCOUNTANTS LIMITED
(A company limited by guarantee)

Income and Expenditure Account

for the year ended 31st December 2001

	Notes	2001 £	2000 £
Turnover	2	110,274	167,306
Cost of sales		(9,857)	(16,384)
Gross contribution towards provision of services to members		100,417	150,922
Services to members and administrative expenses		(122,483)	(157,679)
Other operating income	3	20,660	7,850
Operating (deficit)/surplus	4	(1,406)	1,093
Interest receivable	5	4,155	7,036
Surplus on ordinary activities before Taxation		2,749	8,129
Tax on interest receivable	7	(604)	(868)
Surplus on ordinary activities after Taxation		<u>2,145</u>	<u>7,261</u>

All amounts relate to continuing activities.

There have been no recognised gains or losses, other than the results for the financial year, and all surpluses or deficits have been accounted for on an historical cost basis.

SOUTH EASTERN SOCIETY OF CHARTERED ACCOUNTANTS LIMITED
(A company limited by guarantee)

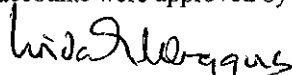
Balance Sheet

as at 31st December 2001

	Notes	2001 £	2001 £	2000 £	2000 £
Fixed Assets					
Tangible fixed assets	8		-		2,459
Investments	9		2		2
			<u>2</u>		<u>2,461</u>
Current Assets					
Debtors	11	12,842		38,110	
Cash at bank and in-hand		100,843		116,182	
		<u>113,685</u>		<u>154,292</u>	
Creditors:					
Amounts falling due within one year	12	(5,216)		(50,427)	
Net Current Assets			<u>108,469</u>		<u>103,865</u>
Total Assets Less Current Liabilities			<u>108,471</u>		<u>106,326</u>
Capital and Reserves					
Accumulated fund	13		<u>108,471</u>		<u>106,326</u>
	14		<u>108,471</u>		<u>106,326</u>

The company has taken advantage of the exemption from preparing group accounts conferred by Section 248(3) of the Companies Act 1985.

These accounts were approved by the Committee on 20th March 2002.


Linda Margaret Wiggins

President

SOUTH EASTERN SOCIETY OF CHARTERED ACCOUNTANTS LIMITED
(A company limited by guarantee)

Notes to the Financial Statements

for the year ended 31st December 2001

1 Principal Accounting Policies

Accounting Convention

The Financial Statements have been prepared under the historical cost convention.

Turnover

Turnover represents grants and management charges receivable and the total invoice value, excluding VAT, of activities held during the year.

Depreciation

Depreciation is calculated to write down the cost, less estimated residual value, of all tangible fixed assets over their expected useful lives. The rates generally applicable are:

Office equipment	50% straight line
------------------	-------------------

Investments

Investments are included at cost/cost less amounts written off. Profits or losses arising from disposals of fixed asset investments are treated as part of the result from ordinary activities.

Contribution to Pension Funds

The pension costs charged against surpluses represent the amount of the contributions payable to the scheme in respect of the accounting period.

Leased Assets

Assets held under finance leases and hire purchase contracts are capitalised in the Balance Sheet and depreciated over their expected useful lives. The interest element of leasing payments represents a constant proportion of the capital balance outstanding and is charged to the Income and Expenditure Account over the period of the lease.

All other leases are regarded as operating leases and the payments made under them are charged to the Income and Expenditure Account on a straight-line basis over the lease term.

2 Turnover

The turnover and operating (deficit)/surplus for the year was derived from the company's principal activity and was carried out wholly in the UK.

SOUTH EASTERN SOCIETY OF CHARTERED ACCOUNTANTS LIMITED
(A company limited by guarantee)

Notes to the Financial Statements

for the year ended 31st December 2001

3	Other Operating Income	2001	2000
		£	£
	Newsletter advertising	5,205	5,350
	Rent receivable	14,205	-
	Student society	1,250	2,500
		<u>20,660</u>	<u>7,850</u>

4 Operating (Deficit)/Surplus

The operating (deficit)/surplus is stated after charging or crediting:

	2001	2000
	£	£
Hire of office equipment - operating leases	799	1,597
Amounts payable to the auditors in respect of audit services	650	650
Depreciation - owned assets	-	8,907
	<u>-</u>	<u>8,907</u>

5 Interest Receivable

	2001	2000
	£	£
Deposit interest receivable	<u>4,155</u>	<u>7,036</u>

6 Committee of Management and Employees

Staff costs during the year were as follows:

	2001	2000
	£	£
Wages and salaries	58,725	71,697
Social security costs	2,948	5,645
Other pension costs	3,062	-
	<u>64,735</u>	<u>77,342</u>

The average monthly number of employees, excluding committee of management, during the year was as follows:

	2001	2000
	Number	Number
Administration	1	3
Management	1	1
	<u>2</u>	<u>4</u>

None of the committee of management of the company received any remuneration, fees or benefits during the year under review.

SOUTH EASTERN SOCIETY OF CHARTERED ACCOUNTANTS LIMITED
(A company limited by guarantee)

Notes to the Financial Statements

for the year ended 31st December 2001

7	Tax on Profit on Ordinary Activities	2001	2000
		£	£
	<i>Based on the profit for the year:</i>		
	U.K. Corporation tax at 10% (2000: 12%)	415	877
	Prior year adjustments - corporation tax	189	(9)
		604	868
		604	868

The taxation relates to a charge on investment income received.

8	Tangible Fixed Assets	Office equipment	Total
	Cost	£	£
	At 1st January 2001	19,470	19,470
	Disposals	(19,470)	(19,470)
	At 31st December 2001	-	-
		-	-
	Depreciation		
	At 1st January 2001	17,011	17,011
	Eliminated on disposal	(17,011)	(17,011)
	At 31st December 2001	-	-
		-	-
	Net Book Value		
	At 31st December 2001	-	-
		-	-
	At 31st December 2000	2,459	2,459
		2,459	2,459

9	Fixed Asset Investments	Shares in Group Undertakings
	Cost	£
	Additions	2
	At 31st December 2001	2
		2
	Net Book Value	
	At 31st December 2001	2
		2

SOUTH EASTERN SOCIETY OF CHARTERED ACCOUNTANTS LIMITED
(A company limited by guarantee)

Notes to the Financial Statements

for the year ended 31st December 2001

10 Principal Fixed Asset Investments

The company holds more than 20% of the share capital of the following:

Name	Country of registration (or incorporation) and operation	Class of share	Proportion held	Nature of business	Total reserves	Net profit for the year
					£	£
<i>Principal subsidiary undertakings:</i>						
SESCA Enterprises Limited	England	Ordinary shares	100%	Provision of courses and conferences	(8,588)	(6,072)

11 Debtors	2001	2000
	£	£
Trade debtors	3,157	22,656
Amounts owed by subsidiary undertakings	8,459	-
Other debtors	703	2,052
Prepayments and accrued income	523	13,402
	<u>12,842</u>	<u>38,110</u>

12 Creditors: Amounts falling due within one year	2001	2000
	£	£
Bank loans and overdrafts	2,807	4,219
Trade creditors	-	19,098
Amounts owed to subsidiary undertakings	-	12,296
Corporation tax	415	863
Other creditors	144	11,074
Accruals and deferred income	1,850	2,877
	<u>5,216</u>	<u>50,427</u>

13 Reserves	Accumulated Fund
	£
At 1st January 2001	106,326
Surplus for the year	2,145
At 31st December 2001	<u>108,471</u>

SOUTH EASTERN SOCIETY OF CHARTERED ACCOUNTANTS LIMITED
(A company limited by guarantee)

Notes to the Financial Statements

for the year ended 31st December 2001

14 Reconciliation of the Movement in Members' Funds

	2001 £	2000 £
Surplus for the financial year	2,145	7,261
Increase in members' funds	2,145	7,261
Opening members' funds	106,326	99,065
Closing members' funds	<u>108,471</u>	<u>106,326</u>

15 Operating lease commitments

Financial commitments under non-cancellable operating leases will result in the following payments falling due in the next financial year:

	2001 Land and buildings £	2001 Other £	2000 Land and buildings £	2000 Other £
Expiring:				
Within one year	-	-	-	-
Within two to five years	-	-	-	1,597
After five years	27,500	-	19,800	-
	<u>27,500</u>	<u>-</u>	<u>19,800</u>	<u>1,597</u>

Following the creation of the Regional structure referred to in the Committee of Management report the company's offices were vacated in favour of its subsidiary, which thereafter discharged all liabilities relating thereto. However, the lease has not yet formally been assigned and the obligations thereunder remain those of the company.

16 Pensions - Defined Contribution Scheme

The company operates a defined contribution pension scheme for the benefit of certain of the full time employees. The assets of the scheme are administered by trustees in a fund independent from those of the company.

17 Company Status

Under the Memorandum of Association, every member of the company undertakes to contribute, in the event of winding up, such amounts as may be required, not exceeding £1.00.

18 Contingent Liabilities

As stated in note 10 above, the company's wholly owned subsidiary SESCA Enterprises Limited had an excess of liabilities over assets at the balance sheet date. The financial statements of the subsidiary have been prepared on a going concern basis, which assumes that the company will be able to continue trading. However, if this does not prove to be the case, a call would be made on the company in respect of any shortfall pursuant to a letter of undertaking given by the Committee of Management. In this context it should be noted that the lease commitment referred to in note 15 is until 2007.

SOUTH EASTERN SOCIETY OF CHARTERED ACCOUNTANTS LIMITED
(A company limited by guarantee)

Notes to the Financial Statements

for the year ended 31st December 2001

19 Related Party Transactions

The following disclosure is given in accordance with Financial Reporting Standard 8 (FRS 8) "Related Party Disclosures".

Control

Control of the company rests with the Committee of Management, as disclosed on page 1. No one person or entity is in a position to exercise overall control of the company.

Related Party Transactions

During the year management charges of £32,400 (2000 - £64,753) were made to the wholly owned subsidiary company, SESCO Enterprises Limited. Also, at the balance sheet date, £8,459 was owed by SESCO Enterprises Limited (2000 - £12,296 was owed to SESCO Enterprises Limited), which is reflected under "amounts owed by subsidiary undertakings" in note 11 above.

As explained in note 15 the lease of the company's premises has yet formally to be assigned to its subsidiary. To reflect this properly in the financial statements the company has been treated as if it were sub-letting to its subsidiary. The charge paid and recharged amounts to £14,205 (2000 - Nil).

Accounting services in respect of the preparation of the statutory accounts were provided by Brebner, Allen & Trapp, in which firm Charles Edward Hemming is a partner. The amount concerned was £550 (2000 - £600), which was charged at a considerable discount to actual costs incurred.

Other than the foregoing, there were no related party transactions that require disclosure under the terms of FRS 8 during the year under review.