

**Registered number:**  
03209358

**INSTITUTE OF SOCIAL AND ETHICAL ACCOUNTABILITY**  
**REPORTS AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2002**

**INSTITUTE OF SOCIAL AND ETHICAL ACCOUNTABILITY**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2002**

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**The following pages do not form part of the statutory financial statements**

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**INSTITUTE OF SOCIAL AND ETHICAL ACCOUNTABILITY**  
**COMPANY INFORMATION**

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**DIRECTORS**

M. J. Sillanpaa  
S. Zadek  
Professor C. A. Adams (appointed 7 December 2001)  
J. A. Nicholls (appointed 7 December 2001)  
A. Wilson (appointed 7 December 2001)  
R. P. Evans (resigned 26 July 2002)  
K. Sexton (resigned 8 June 2001)

**SECRETARY**

J. A. Nicholls

**AUDITORS**

Day, Smith & Hunter  
Star House  
Pudding Lane  
Maidstone  
Kent  
ME14 1LT

**REGISTERED OFFICE**

Unit A  
137 Shepherdess Walk  
London  
N1 7RQ

**REGISTERED NUMBER**

03209358

**INSTITUTE OF SOCIAL AND ETHICAL ACCOUNTABILITY**  
**ACTING CHAIR'S REPORT FOR THE YEAR ENDED 31 MARCH 2002**

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AccountAbility enters 2003 better-positioned than ever to support its corporate and individual members and to bring its experience in accountability practices to new groups world wide.

A key element of this strength is the appointment of Simon Zadek as Chief Executive (in March 2002) and Tom Delfgauw (formerly Vice President of Sustainable Development at Shell International) as Chair of Council in June 2002. New co-optees to the Council include Margaret Flaherty from the World Business Council for Sustainable Development, Heidi von Hoivik, Associate Professor/EBEN President, Norwegian School of Management, Hannah Jones, European Director of Corporate Responsibility, Nike, and Malini Mehra, Founder Director, Centre for Social Markets.

Council has identified the AA1000 Series as the single most important aspect of our strategy and work. The consultation draft of the AA100 Assurance Standard was launched in June 2002 in London, Brussels and Brazil. Although far from complete, it has been welcomed by many opinion leaders, and several leading reporting companies have adopted the standard, as have several leading assurance providers. Following an extensive consultation process, and under the guidance of an expert Technical Committee, a revised version of the standard is being launched in March 2003.

AccountAbility's second key strategic plank involves the delivery of professional education and training (PD), accreditation of other trainers, influencing the quality of PD standards, and the certification of members. We have now brought in a full-time person to drive this area, and have begun training sessions both with our members and in partnership with leading CSR networks in Brazil, South Africa and the United States.

As a professional institute, we are committed to growing our organisation and individual membership. Both organisation and individual membership declined during the period 1999-2001. Through 2002, we have rebuilt both membership types, and also invested in building the quality of delivery to organisation members.

AccountAbility's research programmes are intended to produce practitioner and policy-relevant outputs, and to cascade material and team competencies into the AA1000 Series development, member services and professional development. This area has continued to grow rapidly, and we now have a series of programmes at various stages of maturity. Publications during 2002 include Innovation through Partnership (in association with Body Weiser Burns) the Global Inclusion Benchmark study (in association with Employer's Forum for Disability), Corporate Responsibility and the Competitive Advantage of Nations and Corporate Responsibility Clustering (with The Copenhagen Centre) and AA1000 Conversations: Lessons from the Early Year (Ashridge Management School/AccountAbility report).

In achieving all this, we are very grateful to the support of the existing Council, and in particular the long-term efforts of Richard Evans, the Acting Chair of Council until June 2002 and Dr Prof. Peter Pruzan, both of whom have been recognised as Honorary Fellows of AccountAbility. The secretariat has also been strengthened, with new staff in place to support professional development and the on-going revision of the AA1000 standard.

**INSTITUTE OF SOCIAL AND ETHICAL ACCOUNTABILITY**  
**ACTING CHAIR'S REPORT FOR THE YEAR ENDED 31 MARCH 2002**  
**(continued)**

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As part of AccountAbility's commitment to transparency and responsiveness to the needs of its members and other stakeholders, the second annual AccountAbility Report - see [www.accountability.org.uk](http://www.accountability.org.uk) - has been produced. Please refer to this report for a full picture of AccountAbility's strategy, impacts and targets through the financial year to March 2002 and the remainder of the calendar year. A statement of related interests of AccountAbility's Directors is also included in the following pages.

Jeremy Nicholls

Chair of Operating Board

**INSTITUTE OF SOCIAL AND ETHICAL ACCOUNTABILITY**  
**STATEMENT OF RELATED INTERESTS FOR THE YEAR ENDED 31 MARCH 2002**

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Carol Adams

No related interests.

Jeremy Nicholls

No related interests.

Maria Sillanpaa

As an individual or as part of client engagements lead from KPMG Sustainability Advisory Services UK, Maria Sillanpaa or her SAS colleagues have been involved in fee earning work with the following Accountability members:

BP

The Body Shop International plc

Co-operative Wholesale Society (now Co-operative Group)

Co-operative Insurance Society

Shell International Ltd

National Grid Transco plc

This declaration is bounded by the confidentiality agreements in force between Sustainability Advisory Services and its clients.

Simon Zadek

During this period Simon Zadek served as CEO on an interim, part-time, contract basis. He also continued freelance research and consultancy, which included paid engagements with several members and Council members, including BSR, BT, CIS, LearN and Novo Nordisk, as well as governance roles on several initiatives involving members, including Business Partners for Development and the Global Alliance for Workers & Communities.

Andrew Wilson

During this financial year, Andrew Wilson in his capacity as Director of the Ashridge Centre for Business and Society has undertaken fee earning work for the following member companies - Levi Strauss & Co and Camelot Group plc.

This declaration is bounded by the normal confidentiality agreements in force between Ashridge and its clients.

**INSTITUTE OF SOCIAL AND ETHICAL ACCOUNTABILITY**  
**DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2002**

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The directors present their annual report together with the financial statements of the company for the year ended 31 March 2002.

**PRINCIPAL ACTIVITY**

The principal activity of the company throughout the year under review was that of promoting and developing the science of social and ethical accountability.

**DIRECTORS**

The directors who held office during the year:

M. J. Sillanpaa  
S. Zadek  
Professor C. A. Adams (appointed 7 December 2001)  
J. A. Nicholls (appointed 7 December 2001)  
A. Wilson (appointed 7 December 2001)  
R. P. Evans (resigned 26 July 2002)  
K. Sexton (resigned 8 June 2001)

**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 as at the end of the financial year 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;  
Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for maintaining 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. It is also their responsibility to safeguard the assets of the company and hence to take reasonable steps to prevent and detect fraud and other irregularities.

The maintenance and integrity of the web site is the responsibility of the directors, the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the information contained in the financial statements since they were initially presented on the website. Legislation in the United Kingdom governing the preparation and dissemination of the final statements and other information included in annual reports may differ from legislation in other jurisdictions.

**AUDITORS**

The auditors, Day, Smith & Hunter, will be proposed for re-election in accordance with Section 385 of the Companies Act 1985.

**SPECIAL EXEMPTIONS**

The directors have taken advantage of the special provisions of Part VII of the Companies Act 1985 relating to small companies in the preparation of this report.

Approved by the board of directors on 29 January 2003 and signed on its behalf by:

\_\_\_\_\_  
S. Zadek  
Director

**INSTITUTE OF SOCIAL AND ETHICAL ACCOUNTABILITY**  
**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS**

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We have audited the accounts of Institute of Social and Ethical Accountability for the year ended 31 March 2002, which comprise the Profit and Loss Account, Balance Sheet and the related notes. These financial statements have been prepared under the historical cost convention and on the basis of accounting policies set out herein.

**Respective responsibilities of directors and auditors**

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and the Financial Reporting Standard for Smaller Entities (effective March 2000).

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 the directors' remuneration and transactions with the company is not disclosed.

We read the Directors' 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 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 as at 31 March 2002 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

**Day, Smith & Hunter**  
**Registered Auditors and**  
**Chartered Accountants**

Star House  
Pudding Lane  
Maidstone  
Kent  
ME14 1LT

29 January 2003

**INSTITUTE OF SOCIAL AND ETHICAL ACCOUNTABILITY**

**INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31 MARCH 2002**

|   | Note | 2002     | 2001     |
|---|------|----------|----------|
|   |      | £        | £        |
| TURNOVER  | 3    | 442,074  | 349,515  |
| Administration expenses                             |      | 443,697  | 336,516  |
| OPERATING (LOSS)/PROFIT                             | 4    | (1,623)  | 12,999   |
| Other interest receivable and similar income        |      | 2,171    | 584      |
| Interest payable and similar charges                |      | (353)    | (1,095)  |
| PROFIT on ordinary activities before taxation       |      | 195      | 12,488   |
| TAXATION on profit on ordinary activities           | 5    | 217      | 117      |
| (LOSS)/PROFIT on ordinary activities after taxation |      | (22)     | 12,371   |
| DEFICIT BROUGHT FORWARD                             |      | (15,842) | (28,213) |
| DEFICIT CARRIED FORWARD                             |      | (15,864) | (15,842) |

The notes on pages 8 to 11 form part of these financial statements.

## INSTITUTE OF SOCIAL AND ETHICAL ACCOUNTABILITY

## BALANCE SHEET - 31 MARCH 2002

|  | Note | 2002           |                        | 2001           |                 |
|--|------|----------------|------------------------|----------------|-----------------|
|  |      | £              | £                      | £              | £               |
| <b>FIXED ASSETS</b>                          |      |                |                        |                |                 |
| Tangible assets                              | 6    |                | <b>15,987</b>          |                | 9,362           |
| <b>CURRENT ASSETS</b>                        |      |                |                        |                |                 |
| Debtors                                      | 7    | <b>195,252</b> |                        | 148,759        |                 |
| Cash at bank and in hand                     |      | <b>58,094</b>  |                        | 5,874          |                 |
|  |      |                |                        | <u>154,633</u> |                 |
|  |      |                |                        |                | <u>9,362</u>    |
| <b>CREDITORS:</b>                            |      |                |                        |                |                 |
| Amounts falling due within one year          | 8    | <b>285,197</b> |                        | 179,837        |                 |
| <b>NET CURRENT (LIABILITIES)</b>             |      |                |                        |                |                 |
|  |      |                | <u><b>(31,851)</b></u> |                | <u>(25,204)</u> |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b> |      |                |                        |                |                 |
|  |      |                | <u><b>(15,864)</b></u> |                | <u>(15,842)</u> |
| <b>CAPITAL AND RESERVES</b>                  |      |                |                        |                |                 |
| Profit and loss account                      |      |                | <u><b>(15,864)</b></u> |                | <u>(15,842)</u> |

These accounts have been prepared in accordance with the special provisions relating to small companies within part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective March 2000).

Approved by the board of directors on 29 January 2003 and signed on its behalf.

\_\_\_\_\_  
S. Zadek  
Director

**INSTITUTE OF SOCIAL AND ETHICAL ACCOUNTABILITY**  
**NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2002**

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## 1 COMPANY STATUS

The Institute is a company limited by guarantee and the income and property can be applied solely towards its objects and no part can be paid by way of dividend, bonus or otherwise out of any surpluses to members of the Institute.

Each existing member and ceased member for one year has undertaken to contribute up to £1 towards its debts if the Institute is wound up.

## 2 ACCOUNTING POLICIES

The principal accounting policies which are adopted consistently in the preparation of the financial statements are set out below.

### Basis of accounting

The financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000) under the historical cost convention.

### Turnover

(i) Members' subscriptions

Members' subscriptions are payable annually in advance, payment being due on the anniversary of individual members' admission to the Institute.

The Institute has adopted the accounting policy of apportioning subscriptions over the accounting period to which they relate. The effects of the deferral of this income are illustrated in the following analysis:-

|  | 2002     | 2001     |
|--|----------|----------|
|  | £        | £        |
| Subscription income deferred from previous year    | 92,091   | 76,633   |
| Subscription income raised during the year         | 133,866  | 185,411  |
| Subscription income deferred to the following year | (48,464) | (92,091) |
|  | 177,493  | 169,953  |

(ii) Other operating income

Other operating income, excluding members' subscriptions, represents amounts invoiced, excluding value added tax, in respect of services provided.

(iii) Grants

Revenue grants received in the year are recognised as income for the period to which they relate and credited to the Income and Expenditure account.

### Tangible fixed assets

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost less estimated residual value of each asset over its estimated useful life. The principal annual rates in use are:

|                  |                      |
|------------------|----------------------|
| Office equipment | 25% reducing balance |
|------------------|----------------------|

### Leased assets

Rentals applicable to operating leases, where substantially all the benefit and risk of ownership remain with the lessor, are charged to the profit and loss account on a straight line basis over the lease term.

### Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated at the rate of exchange ruling at the date of the transaction. Exchange differences are taken to the profit and loss account.

**INSTITUTE OF SOCIAL AND ETHICAL ACCOUNTABILITY**  
**NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2002**  
**(continued)**

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### 3 TURNOVER

The turnover and profit before taxation is attributable to the one principal activity of the company.

Turnover analysed by class of business:

|                          | <u>2002</u>           | <u>2001</u>    |
|--------------------------|-----------------------|----------------|
|                          | <b>£</b>              | <b>£</b>       |
| Membership subscriptions | <b>177,493</b>        | 169,953        |
| Sale of publications     | <b>5,315</b>          | 15,625         |
| Grants                   | <b>95,012</b>         | 26,329         |
| Events and sponsorship   | <b>-</b>              | 15,380         |
| Projects                 | <b>156,635</b>        | 119,789        |
| Sundry income            | <b>7,619</b>          | 2,439          |
|                          | <u><b>442,074</b></u> | <u>349,515</u> |

The grant income arose in the United States of America. All other income arose in the United Kingdom.

### 4 OPERATING (LOSS)/PROFIT

The operating (loss) / profit is stated after charging:

|                                   | <u>2002</u>          | <u>2001</u>   |
|-----------------------------------|----------------------|---------------|
|                                   | <b>£</b>             | <b>£</b>      |
| Directors' emoluments             | <b>10,249</b>        | 45,833        |
| Depreciation and loss on disposal | <b>8,847</b>         | 3,121         |
| Auditors' remuneration            | <b>4,000</b>         | 2,250         |
|                                   | <u><b>23,096</b></u> | <u>51,204</u> |

### 5 TAXATION

|   | <u>2002</u>       | <u>2001</u> |
|---|-------------------|-------------|
|   | <b>£</b>          | <b>£</b>    |
| Corporation tax on ordinary activities for the year | <b>217</b>        | 117         |
|   | <u><b>217</b></u> | <u>117</u>  |

The Institute has mutual trading status and is therefore exempt from Corporation Tax on its operating income with members. The charge for taxation in these accounts relates to Corporation Tax payable on deposit interest received.

**INSTITUTE OF SOCIAL AND ETHICAL ACCOUNTABILITY**  
**NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2002**  
**(continued)**

**6 TANGIBLE FIXED ASSETS**

|                       | Office<br>equipment |
|-----------------------|---------------------|
|                       | £                   |
| <u>Cost</u>           |                     |
| At 1 April 2001       | 18,616              |
| Additions             | 15,472              |
| Disposals             | (8,667)             |
|                       | 25,421              |
| <u>Depreciation</u>   |                     |
| At 1 April 2001       | 9,254               |
| Charge for the year   | 5,330               |
| Released on disposal  | (5,150)             |
|                       | 9,434               |
| <u>Net book value</u> |                     |
| At 31 March 2002      | 15,987              |
| At 31 March 2001      | 9,362               |

**7 DEBTORS**

|                        | 2002    | 2001    |
|------------------------|---------|---------|
|                        | £       | £       |
| Members' subscriptions | 30,225  | 55,605  |
| Other debtors          | 165,027 | 93,154  |
|                        | 195,252 | 148,759 |

**8 CREDITORS: amounts falling due within one year**

|                               | 2002    | 2001    |
|-------------------------------|---------|---------|
|                               | £       | £       |
| Trade creditors               | 42,397  | 52,177  |
| Other creditors               | 233,542 | 123,401 |
| Corporation tax               | 228     | 11      |
| Other tax and social security | 9,030   | 4,248   |
|                               | 285,197 | 179,837 |

**INSTITUTE OF SOCIAL AND ETHICAL ACCOUNTABILITY**  
**NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2002**  
**(continued)**

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**9 FINANCIAL COMMITMENTS**

Operating leases

At 31 March 2002 the company had annual commitments under non cancellable operating leases as set out below:

|                                | 2002                          |              | 2001                  |       |
|--------------------------------|-------------------------------|--------------|-----------------------|-------|
|                                | <b>Land and<br/>buildings</b> | <b>Other</b> | Land and<br>buildings | Other |
| Operating leases which expire: |                               |              |                       |       |
| Within one year                | -                             | -            | 3,750                 | -     |
| Within two to five years       | <b>30,550</b>                 | -            | -                     | -     |
|                                | <b>30,550</b>                 | -            | 3,750                 | -     |
|                                | <b>30,550</b>                 | -            | 3,750                 | -     |

**10 RELATED PARTIES**

As a mutual body the Institute is controlled by its members and receives income from them and incurs some expenditure with them.

During the year the company engaged the services of a consultancy in which a director, Mr S. Zadek, is a proprietor and to which payments amounted to £48,620 (2001:£ nil). Trade creditors include £10,221 (2001:£ nil) in respect of these transactions.

## INSTITUTE OF SOCIAL AND ETHICAL ACCOUNTABILITY

**TRADING PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 MARCH 2002**

|                                | Note | 2002<br>£      | 2001<br>£      |
|--------------------------------|------|----------------|----------------|
| <b>OPERATING INCOME</b>        | 1    | 442,074        | 349,515        |
| OTHER INCOME                   | 2    | 2,171          | 584            |
|                                |      | <u>444,245</u> | <u>350,099</u> |
| <b>LESS: OVERHEAD EXPENSES</b> |      |                |                |
| DIRECTORS' REMUNERATION        | 3    | 11,349         | 50,935         |
| EMPLOYMENT AND RELATED COSTS   | 4    | 290,074        | 177,496        |
| ESTABLISHMENT EXPENSES         | 5    | 73,872         | 27,201         |
| ADMINISTRATION EXPENSES        | 6    | 59,555         | 77,763         |
| FINANCE CHARGES                | 7    | 353            | 1,095          |
| DEPRECIATION                   | 8    | 8,847          | 3,121          |
|                                |      | <u>444,050</u> | <u>337,611</u> |
| <b>NET PROFIT</b>              |      | <u>195</u>     | <u>12,488</u>  |

**INSTITUTE OF SOCIAL AND ETHICAL ACCOUNTABILITY**  
**SCHEDULES TO THE TRADING PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31 MARCH 2002**

|  | <u>2002</u>    | <u>2001</u>    |
|--|----------------|----------------|
|  | £              | £              |
| <b>1. OPERATING INCOME</b>             |                |                |
| Membership subscriptions               | 177,493        | 169,953        |
| Sale of publications                   | 5,315          | 15,625         |
| Grants                                 | 95,012         | 26,329         |
| Events and sponsorship                 | -              | 15,380         |
| Projects                               | 156,635        | 119,789        |
| Sundry income                          | 7,619          | 2,439          |
|  | <u>442,074</u> | <u>349,515</u> |
| <b>2. OTHER INCOME</b>                 |                |                |
| Interest receivable                    | <u>2,171</u>   | <u>584</u>     |
| <b>3. DIRECTORS' REMUNERATION</b>      |                |                |
| Directors' salaries                    | 10,249         | 45,833         |
| Employers' national insurance          | 1,100          | 5,102          |
|  | <u>11,349</u>  | <u>50,935</u>  |
| <b>4. EMPLOYMENT AND RELATED COSTS</b> |                |                |
| Salaries and NI                        | 104,653        | 102,742        |
| Consultancy and project costs          | 120,726        | 55,152         |
| Travel and subsistence                 | 64,695         | 19,602         |
|  | <u>290,074</u> | <u>177,496</u> |
| <b>5. ESTABLISHMENT EXPENSES</b>       |                |                |
| Rent and service charge                | 26,330         | 13,258         |
| Rates                                  | 3,399          | 1,860          |
| Electricity                            | 1,710          | 1,382          |
| Insurance                              | 1,191          | 603            |
| Repairs and maintenance                | 2,961          | 702            |
| Telephone                              | 8,488          | 8,056          |
| Website and internet costs             | 29,793         | 1,340          |
|  | <u>73,872</u>  | <u>27,201</u>  |
| <b>6. ADMINISTRATION EXPENSES</b>      |                |                |
| Postage                                | 1,946          | 3,975          |
| Printing and stationery                | 456            | 20,635         |
| Newsletter costs                       | 29,149         | 29,587         |
| Sundry expenses                        | 394            | 2,117          |
| Bad debts                              | 15,015         | 15,773         |
| Auditors' remuneration                 | 4,000          | 2,250          |
| Legal and professional charges         | 8,595          | 3,426          |
|  | <u>59,555</u>  | <u>77,763</u>  |
| <b>7. FINANCE CHARGES</b>              |                |                |
| Bank charges                           | 353            | 1,027          |
| VAT surcharges and interest            | -              | 68             |
|  | <u>353</u>     | <u>1,095</u>   |

**INSTITUTE OF SOCIAL AND ETHICAL ACCOUNTABILITY**  
**SCHEDULES TO THE TRADING PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31 MARCH 2002**  
**(continued)**

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|                                  | <u>2002</u>         | <u>2001</u>         |
|----------------------------------|---------------------|---------------------|
|                                  | <b>£</b>            | <b>£</b>            |
| <b>8. DEPRECIATION</b>           |                     |                     |
| Office equipment                 | 5,330               | 3,121               |
| Loss on sale of office equipment | <u>3,517</u>        | <u>-</u>            |
|                                  | <u><u>8,847</u></u> | <u><u>3,121</u></u> |