# THE GALLUP ORGANIZATION LIMITED
# FINANCIAL STATEMENTS
# FOR
# 31 DECEMBER 2002

**Company Registration Number 2686721**



# THE GALLUP ORGANIZATION LIMITED
# FINANCIAL STATEMENTS
# YEAR ENDED 31 DECEMBER 2002

CONTENTS


| | PAGES |
|---|---|
| Officers and professional advisers | 1 |
| The directors' report | 2 to 3 |
| Independent auditors' report to the shareholders | 4 |
| Profit and loss account | 5 |
| Statement of total recognised gains and losses | 6 |
| Balance sheet | 7 |
| Notes to the financial statements | 8 to 16 |
| **The following pages do not form part of the financial statements** | |
| Detailed profit and loss account | 18 |
| Notes to the detailed profit and loss account | 19 to 20 |

# THE GALLUP ORGANIZATION LIMITED

## OFFICERS AND PROFESSIONAL ADVISERS

| | |
|---|---|
| **THE BOARD OF DIRECTORS** | J Krieger<br>J P Murphy<br>S O'Brien<br>L Rowlands |
| **COMPANY SECRETARY** | L J Gambles |
| **REGISTERED OFFICE** | Drapers Court<br>Kingston Hall Road<br>Kingston-upon-Thames<br>Surrey<br>KT1 2BG |
| **AUDITORS** | Menzies<br>Chartered Accountants<br>& Registered Auditors<br>Ashby House<br>64 High Street<br>Walton on Thames<br>Surrey<br>KT12 1BW |

# THE GALLUP ORGANIZATION LIMITED

# THE DIRECTORS' REPORT

# YEAR ENDED 31 DECEMBER 2002

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 December 2002.

## PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The company's principal activities are to provide clients with research based consulting services to improve business performance, including customer loyalty and employee engagement studies and related consultancy and personnel selection and development services. In addition, the company conducts opinion polling.

The company achieved a turnover of £7,977,695 (2001 - £7,635,824) resulting in a profit on ordinary activities before taxation of £832,257 (2001 - £1,022,963).

The company has a trading branch in France.

## RESULTS AND DIVIDENDS

The trading results for the year, and the company's financial position at the end of the year are shown in the attached financial statements.

The directors have not recommended a dividend.

## DIRECTORS

The directors who served the company during the year were as follows:

| | |
|---|---|
| J Krieger | |
| J P Murphy | |
| S O'Brien | (Appointed 1 January 2002) |
| L Rowlands | (Appointed 1 January 2002) |

The company is a wholly owned subsidiary of Gallup Inc., and the interests of the directors who are the directors of the parent undertaking are disclosed in the financial statements of that company.

## FIXED ASSETS

The directors do not consider that there is any significant difference between the market value and net book value of the company's tangible fixed assets.

## 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 at the end of the year and of the profit or loss for the year then ended.

In preparing those financial statements, the directors are required to:

select suitable accounting policies, as described on pages 8 to 10, and then apply them consistently;

make judgements and estimates that are reasonable and prudent; and

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 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. The directors 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.

## AUDITORS

A resolution to re-appoint Menzies as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

Signed by order of the directors

L. J. Gambles.

L J Gambles
Company Secretary

Approved by the directors on 21/3/03

# THE GALLUP ORGANIZATION LIMITED

# INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS

# YEAR ENDED 31 DECEMBER 2002

We have audited the financial statements on pages 5 to 16 which have been prepared under the historical cost convention and the accounting policies set out on pages 8 to 10.

This report is made solely to the company's shareholders, 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 shareholders 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

## *RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITORS*

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable United Kingdom law and Accounting Standards are set out in the Statement of Directors' Responsibilities on page 2.

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 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. 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 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 December 2002 and of its profit for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

Menzies

MENZIES
Chartered Accountants
& Registered Auditors

Ashby House
64 High Street
Walton on Thames
Surrey
KT12 1BW

24 March 2003

# THE GALLUP ORGANIZATION LIMITED

## PROFIT AND LOSS ACCOUNT

## YEAR ENDED 31 DECEMBER 2002

| | Note | 2002 £ | 2001 *(restated)* £ |
|---|---|---|---|
| **TURNOVER** | 2 | 7,977,695 | 7,635,824 |
| Cost of sales | | 3,494,094 | 3,406,378 |
| **GROSS PROFIT** | | 4,483,601 | 4,229,446 |
| Distribution costs | | 583,771 | 621,982 |
| Administrative expenses | | 3,124,336 | 2,597,699 |
| **OPERATING PROFIT** | 3 | 775,494 | 1,009,765 |
| Income from shares in group undertakings | 6 | 1,114 | 1,047 |
| Interest receivable | | 56,129 | 13,351 |
| Amounts written off investments | 7 | – | (712) |
| Interest payable | 8 | (480) | (488) |
| **PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION** | | 832,257 | 1,022,963 |
| Tax on profit on ordinary activities | 9 | 268,151 | 323,269 |
| **RETAINED PROFIT FOR THE FINANCIAL YEAR** | | 564,106 | 699,694 |

All of the activities of the company are classed as continuing.

The notes on pages 8 to 16 form part of these financial statements.

## THE GALLUP ORGANIZATION LIMITED

## STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

## YEAR ENDED 31 DECEMBER 2002

| | 2002 | 2001 *(restated)* |
|---|---|---|
| | £ | £ |
| Profit for the financial year attributable to the shareholders | 564,106 | 699,694 |
| Total recognised gains and losses relating to the year | 564,106 | 699,694 |
| Prior year adjustment (see note 10) | 440,096 | 763,365 |
| *Total gains and losses recognised since the last annual report* | *1,004,202* | *1,463,059* |

The notes on pages 8 to 16 form part of these financial statements.

# THE GALLUP ORGANIZATION LIMITED

## BALANCE SHEET

## 31 DECEMBER 2002

| | Note | 2002 £ | 2002 £ | 2001 (restated) £ | 2001 (restated) £ |
|---|---|---|---|---|---|
| **FIXED ASSETS** | | | | | |
| Tangible assets | 11 | | 665,472 | | 797,845 |
| Investments | 12 | | 100 | | 100 |
| | | | 665,572 | | 797,945 |
| **CURRENT ASSETS** | | | | | |
| Debtors | 13 | 3,544,767 | | 2,356,255 | |
| Cash at bank and in hand | | 504,593 | | 1,012,388 | |
| | | 4,049,360 | | 3,368,643 | |
| **CREDITORS: Amounts falling due within one year** | 15 | 1,457,775 | | 1,375,893 | |
| **NET CURRENT ASSETS** | | | 2,591,585 | | 1,992,750 |
| **TOTAL ASSETS LESS CURRENT LIABILITIES** | | | 3,257,157 | | 2,790,695 |
| **CREDITORS: Amounts falling due after more than one year** | 16 | | 585,913 | | 683,557 |
| | | | 2,671,244 | | 2,107,138 |
| **CAPITAL AND RESERVES** | | | | | |
| Called-up equity share capital | 21 | | 2,000,000 | | 2,000,000 |
| Profit and Loss Account | 22 | | 671,244 | | 107,138 |
| **SHAREHOLDERS' FUNDS** | 23 | | 2,671,244 | | 2,107,138 |

These financial statements were approved by the directors on the 21/3/03 and are signed on their behalf by:

J Krieger

The notes on pages 8 to 16 form part of these financial statements.

## 1. ACCOUNTING POLICIES

***Basis of accounting***

The financial statements have been prepared under the historical cost convention.

**Consolidation**

In the opinion of the directors, the company and its subsidiary undertakings comprise a medium-sized group. The company has therefore taken advantage of the exemption provided by Section 248 of the Companies Act 1985 not to prepare group accounts.

**Cash flow statement**

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (revised) from including a cashflow on the grounds that the company is a 90% subsidiary, whose parent company, Gallup *Inc., prepare consolidated financial statements that are publicly available.*

**Turnover**

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

**Depreciation**

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

| | | |
|---|---|---|
| Leasehold land and buildings | - | over the period of the lease |
| Fixtures & Fittings | - | 20% on cost |
| Motor Vehicles | - | 33% on cost |
| Computer equipment | - | 20% - 33% on cost |

**Finance lease agreements**

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated in accordance with the above depreciation policies. Future instalments under such leases, net of finance charges, are included with creditors. Rentals payable are apportioned between the finance element, which is charged to the Profit and Loss Account on a straight line basis, and the capital element which reduces the outstanding obligation for future instalments.

**Operating lease agreements**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

1. ACCOUNTING POLICIES *(continued)*

**Pension costs**

The company has entered into pension fund arrangements for the benefit of certain directors and employees. The company operates both defined benefit and defined contribution schemes. Contributions made by the company and its employees are administered by trustees in funds independent from the company's assets.

In respect of the defined contribution schemes, contributions, which are expected to cover the cost of benefits arising from the current service of employees, are charged to the profit and loss account as incurred.

In respect of the defined benefit scheme, pension costs, based on actuarial methods and assumptions designed to spread anticipated pension costs over the service lives of the employees in the scheme, are charged to the profit and loss account, so as to ensure that the regular pension cost represents a substantially level percentage of the current and expected pensionable payroll. Variations from regular cost are spread over the remaining service lives of current employees in the scheme.

**Deferred taxation**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exception:

* deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

The company previously recognised deferred tax under the liability method. The change to the full provision method arises from the change to Financial Reporting Standard No 19. The effect of the change of accounting policy is shown in note 10 to the accounts.

**Foreign currencies**

Monetary assets and liabilities in foreign currencies are translated at the rate of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. All exchange differences are dealt with through the profit and loss account.

**Income from investments**

Investment income comprises dividends declared during the accounting period in respect of listed and unlisted investments, interest receivable on long term deposits and fixed interest securities and rents receivable.

**Fixed asset investments**

Fixed asset investments are included in the balance sheet at cost after provision for any permanent diminution in value.

1. ACCOUNTING POLICIES *(continued)*

**Work in progress**

Work in progress is valued at the lower of cost and net realisable value.

For contracts in progress at the year end income has been recognised to reflect the level of completion and all costs are charged to the profit and loss account as they are incurred.

Accrued income, included in debtors, represents level of completion of contracts in excess of amounts invoiced.

Deferred income, included in creditors, represents amounts invoiced in advance of the outstanding stage of completion of contracts.

2. TURNOVER

The turnover and profit before tax are attributable to the one principal activity of the company.

An analysis of turnover is given below:

| | 2002 | 2001 *(restated)* |
|---|---|---|
| | £ | £ |
| United Kingdom | 6,028,286 | 6,083,767 |
| Europe | 674,495 | 509,806 |
| United States | 854,499 | 850,644 |
| Rest of the World | 420,415 | 191,607 |
| | 7,977,695 | 7,635,824 |

3. OPERATING PROFIT

Operating profit is stated after charging/(crediting):

| | 2002 | 2001 *(restated)* |
|---|---|---|
| | £ | £ |
| Depreciation | 223,581 | 247,508 |
| Loss/(profit) on disposal of fixed assets | 3,016 | (443) |
| Auditors' remuneration | | |
| - as auditors | 13,000 | 12,500 |
| Operating lease costs: | | |
| Land and buildings | 433,944 | 429,836 |
| Plant and equipment | 38,703 | 54,952 |
| Vehicles | 85,782 | 103,932 |
| Net loss/(profit) on foreign currency translation | 19,630 | (11,662) |

4. PARTICULARS OF EMPLOYEES

The average number of staff employed by the company during the financial year amounted to:

| | 2002 | 2001 *(restated)* |
|---|---|---|
| | No. | No. |
| Management | 5 | 4 |
| Administration staff | 22 | 51 |
| Interviewers and researchers | 81 | 79 |
| | 108 | 134 |

## 4. PARTICULARS OF EMPLOYEES *(continued)*

The aggregate payroll costs of the above were:

| | 2002 | 2001 *(restated)* |
|---|---|---|
| | £ | £ |
| Wages and salaries | 3,462,488 | 3,555,600 |
| Social security costs | 394,252 | 376,467 |
| Other pension costs | 113,187 | 95,630 |
| | 3,969,927 | 4,027,697 |

## 5. DIRECTORS' EMOLUMENTS

The directors' aggregate emoluments in respect of qualifying services were:

| | 2002 | 2001 *(restated)* |
|---|---|---|
| | £ | £ |
| Emoluments receivable | 133,931 | 241,080 |
| Value of company pension contributions to money purchase schemes | – | 12,524 |
| | 133,931 | 253,604 |

## 6. INCOME FROM SHARES IN GROUP UNDERTAKINGS

| | 2002 | 2001 *(restated)* |
|---|---|---|
| | £ | £ |
| Income from shares in group undertakings | 1,114 | 1,047 |

## 7. AMOUNTS WRITTEN OFF INVESTMENTS

| | 2002 | 2001 *(restated)* |
|---|---|---|
| | £ | £ |
| Write off of investments | – | 712 |
| Total write off charge | – | 712 |

## 8. INTEREST PAYABLE

| | 2002 | 2001 *(restated)* |
|---|---|---|
| | £ | £ |
| Interest payable on bank borrowing | 480 | 488 |

## 9. TAX ON PROFIT ON ORDINARY ACTIVITIES

**Taxation**

| | 2002 | 2001 *(restated)* |
|---|---|---|
| | £ | £ |
| Deferred tax: | | |
| *Increase in deferred tax provision (note 14)* | | |
| Losses | 268,151 | 323,269 |

**Factors affecting current tax charge**

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 30% (2001 - 30%).

| | 2002 | 2001 *(restated)* |
|---|---|---|
| | £ | £ |
| Profit on ordinary activities before taxation | 832,257 | 1,022,963 |
| *Profit/(loss) on ordinary activities by rate of tax* | 249,677 | 306,889 |
| Expenses not deductible for tax purposes | 1,720 | 2,513 |
| Depreciation in excess of capital allowances | 16,754 | 14,182 |
| *Utilisation of tax losses* | (268,151) | (323,584) |
| Total current tax | – | – |

## 10. PRIOR YEAR ADJUSTMENT

The company previously recognised deferred tax under the liability method. The change to the full provision method arises from the changes to Financial Reporting Standard No 19. The effect of the change of accounting policy has been to restate the prior years figures to show the brought forward reserves at 1 January 2001 being increased by £763,365, a Corporation Tax charge reflecting the utilisation of tax losses of £323,269 and a deferred tax asset as at 31 December 2001 of £440,096.

## 11. TANGIBLE FIXED ASSETS

| | Land and buildings £ | Furniture and equipment £ | Computer equipment £ | Total £ |
|---|---|---|---|---|
| **COST** | | | | |
| At 1 January 2002 | 761,905 | 444,759 | 720,398 | 1,927,062 |
| Additions | 22,163 | 25,323 | 46,690 | 94,176 |
| Disposals | (1,504) | (14,905) | (132,830) | (149,239) |
| **At 31 December 2002** | 782,564 | 455,177 | 634,258 | 1,871,999 |
| **DEPRECIATION** | | | | |
| At 1 January 2002 | 210,671 | 350,124 | 568,422 | 1,129,217 |
| Charge for the year | 78,164 | 43,838 | 101,579 | 223,581 |
| On disposals | (501) | (14,828) | (130,942) | (146,271) |
| **At 31 December 2002** | 288,334 | 379,134 | 539,059 | 1,206,527 |
| **NET BOOK VALUE** | | | | |
| **At 31 December 2002** | 494,230 | 76,043 | 95,199 | 665,472 |
| At 31 December 2001 | 551,234 | 94,635 | 151,976 | 797,845 |

## 12. INVESTMENTS

| | Shares in group undertakings £ |
|---|---|
| **COST** | |
| At 1 January 2002 and 31 December 2002 | 100 |
| **NET BOOK VALUE** | |
| **At 31 December 2002** | 100 |
| At 31 December 2001 | 100 |

The financial statements present information about The Gallup Organization Limited as an individual undertaking and do not include the results of its subsidiary undertakings and other investments.

The company has taken advantage of section 248(1) of the Companies Act 1985 which permits a parent undertaking not to prepare group accounts where the group in question satisfied two or more of the criteria set out in Section 249(3) of the Companies Act 1985 and also qualifies as a small or medium sized group.

Accordingly, no group accounts have been prepared.

None of the subsidiary undertakings are currently trading.

## 13. DEBTORS

| | 2002 | 2001 *(restated)* |
|---|---|---|
| | £ | £ |
| Trade debtors | 1,182,194 | 956,082 |
| Amounts owed by group undertakings | 1,773,956 | 667,407 |
| Other debtors | 65,340 | 53,804 |
| Prepayments and accrued income | 351,332 | 238,866 |
| Deferred taxation (note 14) | 171,945 | 440,096 |
| | 3,544,767 | 2,356,255 |

All amounts included above are considered receivable within one year of the balance sheet date with the exception of rent deposits totalling £58,696 (2001 - £44,761).

## 14. DEFERRED TAXATION

| | 2002 | 2001 *(restated)* |
|---|---|---|
| | £ | £ |
| The movement in the deferred taxation account during the year was: | | |
| Balance brought forward | 440,096 | 763,365 |
| Profit and Loss Account movement arising during the year | (268,151) | (323,269) |
| Balance carried forward | 171,945 | 440,096 |

The balance of the deferred taxation account consists of the tax effect of timing differences in respect of:

| | 2002 | 2001 *(restated)* |
|---|---|---|
| | £ | £ |
| Tax losses available | 171,945 | 440,096 |
| | 171,945 | 440,096 |

## 15. CREDITORS: Amounts falling due within one year

| | 2002 | 2001 *(restated)* |
|---|---|---|
| | £ | £ |
| Trade creditors | 192,845 | 234,062 |
| Amounts owed to group undertakings | 78,431 | 29,982 |
| Other creditors including taxation and social security: | | |
| PAYE and social security | 105,810 | 107,012 |
| VAT | 74,932 | 109,071 |
| Other creditors | 70,023 | 22,622 |
| Accruals and deferred income | 935,734 | 873,144 |
| | 1,457,775 | 1,375,893 |

## 16. CREDITORS: Amounts falling due after more than one year

| | 2002 | 2001 *(restated)* |
|---|---|---|
| | £ | £ |
| Accruals and deferred income | 585,913 | 683,557 |

## 17. PENSIONS

The company operates two pension schemes:

a) A defined contributions scheme for certain employees. The assets of this scheme are held separately from those of the company in an independent administered fund. The pension cost charge for this scheme amounted to £113,187 (2001 - £95,630). As at 31 December 2002 there were £98,717 of pension contributions accrued (2001 - £71,766).

b) A defined benefits pension scheme providing benefits based on final pensionable pay. The assets of this scheme are held separately from those of the company and are administered by the pension scheme trustees.

As disclosed in the company financial statements last year the scheme continues its winding up procedures that were commenced on 30 September 2001.

The last tri-annual valuation carried out by an independent qualified Actuary at 1 January 2001 indicated that the scheme was in surplus. It is not possible at this point in time to evaluate with any certainty the quantum of this surplus given the costs of winding up to be paid along with a dispute with a former scheme member regarding the augmentation of benefits. We have been assured that this will not affect the surplus position and also that the assets of the company exceeded its liabilities at 30 September 2002.

Due to the scheme being in wind up no contributions were paid during the year ended 31 December 2002 or, given the above, anticipated in the future.

Also, due to the present nature of the scheme, no formal Actuarial commentary is considered necessary in relation to Financial Reporting Standard No 17 disclosure at 31 December 2002.

## 18. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2002 the company had annual commitments under non-cancellable operating leases as set out below.

| | 2002 | | 2001 | |
|---|---|---|---|---|
| | Land & Buildings | Other Items | Land & Buildings *(restated)* | Other Items |
| | £ | £ | £ | £ |
| Operating leases which expire: | | | | |
| Within 1 year | – | 45,260 | – | 41,492 |
| Within 2 to 5 years | – | 55,993 | – | 14,223 |
| After more than 5 years | 642,342 | – | 642,342 | – |
| | 642,342 | 101,253 | 642,342 | 55,715 |

## 19. CONTINGENCIES

The company had no contingent liabilities at 31 December 2002

## 20. RELATED PARTY TRANSACTIONS

No transactions with related parties were undertaken such as are required to be disclosed under Financial Reporting Standard 8.

## 21. SHARE CAPITAL

**Authorised share capital:**

| | 2002 | 2001 *(restated)* |
|---|---|---|
| | £ | £ |
| 3,000,000 Ordinary shares of £1 each | 3,000,000 | 3,000,000 |

**Allotted, called up and fully paid:**

| | 2002 | 2001 *(restated)* |
|---|---|---|
| | £ | £ |
| Ordinary share capital | 2,000,000 | 2,000,000 |

## 22. PROFIT AND LOSS ACCOUNT

| | 2002 | 2001 *(restated)* |
|---|---|---|
| | £ | £ |
| Original balance brought forward | (332,958) | (1,355,921) |
| Prior year adjustment (note 10) | 440,096 | 763,365 |
| Restated balance brought forward | 107,138 | (592,556) |
| Retained profit for the financial year | 564,106 | 699,694 |
| Balance carried forward | 671,244 | 107,138 |

## 23. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

| | 2002 | | 2001 *(restated)* | |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| Profit for the financial year | | 564,106 | | 699,694 |
| Opening shareholders' equity funds | 1,667,042 | | 644,079 | |
| *Prior year adjustment (see note 10)* | *440,096* | | *763,365* | |
| | | 2,107,138 | | 1,407,444 |
| Closing shareholders' equity funds | | 2,671,244 | | 2,107,138 |

## 24. ULTIMATE PARENT COMPANY

The directors consider the ultimate parent undertaking to be Gallup Inc., a company which is incorporated in Delaware, USA.

Copies of the group accounts of Gallup Inc. may be obtained from 301, South 68th Street Place, Lincoln, Nebraska 68510.

The directors consider that, as Gallup Inc. is employee-owned, there is no single ultimate controlling party.