

HAKLUYT & COMPANY LIMITED
REPORT and FINANCIAL STATEMENTS
For the year ended 30 June 2002



Contents	Pages
Company information	2
Directors' report	3 - 4
Auditors' report	5
Profit and loss account	6
Balance sheet	7
Cash flow statement	8
Notes to the financial statements	9 - 15

HAKLUYT & COMPANY LIMITED

COMPANY INFORMATION

DIRECTORS

Sir William Purves
Christopher James
Michael Maclay (resigned 30 June 2002)
Michael Reynolds
Sir John Weston
Keith Craig (appointed 24 January 2002)

SECRETARY

Susan Stafford

AUDITORS

Chiene & Tait, C.A.
61 Dublin Street
EDINBURGH
EH3 6NL

BANKERS

Coutts & Company
23 Hanover Square
LONDON
W1A 4YE

SOLICITORS

Speechly Bircham
6 St Andrew St
LONDON
EC4 3LX

REGISTERED OFFICE

34 Upper Brook Street
LONDON
W1K 7QS

HAKLUYT & COMPANY LIMITED

DIRECTORS' REPORT

The directors present their report and financial statements for the year ended 30 June 2002.

Review of the business

The company's principal activity is the research and supply of information for the use of commerce. Turnover was slightly reduced from the previous year as a result of a general down-turn in economic activity. Overheads rose during the period, partly due to increase in personnel, but the company is well placed to handle a higher level of activity which the directors are hopeful will result from enhanced marketing. The directors took the opportunity to purchase the leasehold (125 years) of 34 Upper Brook Street during the year.

Results and dividends

The profit for the year after taxation was £653,460. After paid and proposed ordinary dividends of £316,800 the profit attributable to shareholders was £336,660.

Risk management

The Directors keep under constant review the major risks to which the company is exposed and are satisfied that a system of continuing assessment is in place to mitigate the exposure to such risks.

Directors and their interests

The directors during the year ended 30 June 2002 and their interests in the issued ordinary share capital of the company at the end of the year were as follows:

	Ordinary shares	
	30 June 2002	30 June 2001
Sir William Purves	5,000	5,000
Christopher James	18,000	18,000
Michael Maclay (resigned 30 June 2002)	-	15,000
Michael Reynolds	15,000	15,000
Sir John Weston	400	400
Keith Craig (appointed 24 January 2002)	1,000	-

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 and of the profit or loss of the company for that year. 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. 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.

Donations

During the year the company made payments of £7,400 (2001: £5,800) for charitable purposes.

HAKLUYT & COMPANY LIMITED

DIRECTORS' REPORT (Contd)

Auditors

A resolution to re-appoint Messrs Chiene & Tait, CA as Auditors will be proposed at the forthcoming annual general meeting.

BY ORDER OF THE BOARD

A handwritten signature in black ink, appearing to read 'Susan Stafford', written over the printed name below.

SUSAN STAFFORD, Secretary

20 September 2002



**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
HAKLUYT & COMPANY LIMITED**

We have audited the financial statements of Hakluyt & Company Limited for the year ended 30 June 2002 set out on pages 6 to 15. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' 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 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 other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report. 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 judgments 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 30 June 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Chiene & Tait CA

CHIENE & TAIT CA
Registered Auditors
61 Dublin Street
Edinburgh EH3 6NL

20 September 2002

HAKLUYT & COMPANY LIMITED**PROFIT AND LOSS ACCOUNT****For the year ended 30 June 2002**

	Notes	2002 £	2001 £
Turnover	2	6,062,558	6,278,452
Cost of sales		1,612,910	1,409,048
Gross profit		4,449,648	4,869,404
Administrative expenses		3,562,260	2,789,330
Operating profit	3	887,388	2,080,074
Income from fixed asset investments		-	15,035
Gain on sale of investments		-	52,979
Other interest receivable and similar income		129,391	104,982
Loan interest payable		(12,500)	-
Profit on ordinary activities before taxation		1,004,279	2,253,070
Tax on profit on ordinary activities	6	350,819	697,623
Profit on ordinary activities after taxation	15	653,460	1,555,447
Dividends paid and proposed	7	316,800	323,100
Retained profit for the year	14	336,660	1,232,347

There were no recognised gains or losses during the two years to 30 June 2002 other than the profit for the period.

The notes on pages 9 to 15 form part of these financial statements.

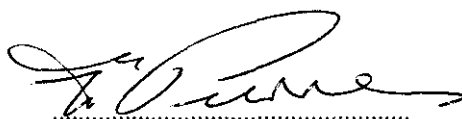
HAKLUYT & COMPANY LIMITED

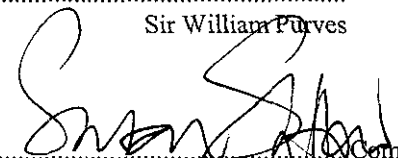
BALANCE SHEET

As at 30 June 2002

	Notes	£	2002 £	£	2001 £
Fixed assets					
Tangible assets	8		1,895,241		98,925
Investments	9		19,247		-
			<u>1,914,488</u>		<u>98,925</u>
Current assets					
Work in progress		33,221		27,613	
Debtors	10	1,632,787		1,175,883	
Cash at bank and in hand		1,544,690		2,658,032	
		<u>3,210,698</u>		<u>3,861,528</u>	
Creditors: Amounts falling due within one year	11	2,078,326		1,296,158	
Net current assets			1,132,372		2,565,730
Total assets less current liabilities			3,046,860		2,664,295
Provisions for liabilities and charges	12		6,402		3,497
Net assets			<u>3,040,458</u>		<u>2,660,798</u>
Capital and reserves					
Called up share capital	13		82,200		81,200
Share premium account	14		798,400		756,400
Profit and loss account	14		2,159,858		1,823,198
Equity shareholders' funds	15		<u>3,040,458</u>		<u>2,660,798</u>

Approved by the Board of Directors on 20 September 2002 and signed on its behalf by


 Director
 Sir William Purves


 Company Secretary
 Susan Stafford

The notes on pages 9 to 15 form part of these financial statements.

HAKLUYT & COMPANY LIMITED
CASH FLOW STATEMENT
For the year ended 30 June 2002

	Notes	2002 £	2001 £
Net cash inflow from operating activities	16	1,055,658	1,413,826
Returns on investments and servicing of finance			
Income from fixed asset investments	-	15,035	
Interest received	129,391	104,982	
Loan interest payable	(12,500)	-	
		116,891	120,017
Taxation			
Taxation paid		(821,068)	(316,552)
Capital expenditure and financial investment			
Purchase of tangible fixed assets	(1,831,426)	(122,509)	
Purchase of fixed asset investments	(19,247)	(843,077)	
Disposal of fixed asset investments	250	1,664,903	
		(1,850,423)	699,317
Net cash (outflow)/inflow before financing		(1,498,942)	1,916,608
Equity dividends paid		(162,400)	(322,900)
Financing			
Issue of ordinary share capital	43,000	79,550	
Short term loan	(495,000)	-	
Short term loan	1,000,000	-	
Net cash inflow from financing		548,000	79,550
(Decrease)/increase in cash		(1,113,342)	1,673,258
Reconciliation of net cashflow to movement in net funds			
	17		
(Decrease)/increase in cash in the period		(1,113,342)	1,673,258
Cash to purchase fixed assets		(1,000,000)	-
Change in net funds		(2,113,342)	1,673,258
Net funds at 1 July 2001		2,658,032	984,774
Net funds at 30 June 2002		544,690	2,658,032

The notes on pages 9 to 15 form part of these financial statements.

HAKLUYT & COMPANY LIMITED

NOTES to the FINANCIAL STATEMENTS

For the year ended 30 June 2002

1. Accounting policies

Accounting Convention

The financial statements are prepared under the historical cost convention.

Turnover

Turnover represents the invoiced value of services less value added tax.

Depreciation

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost or valuation, less estimated residual value, of each asset on a reducing balance basis over its expected useful economic life as follows:

Leasehold improvements	-	10%
Office equipment	-	25%
Computer equipment	-	33%
Furniture and fittings	-	20%

Depreciation is not charged on long leasehold property as the charge would be immaterial due to the length of the useful economic life of the property,

In accordance with Financial Reporting Standard 15 an impairment review under Financial Reporting Standard 11 is performed on this property. The results of this review showed that the recoverable amount is in excess of the carrying amount, and accordingly in the Directors' opinion no impairment exists at 30 June 2002.

Work in progress

Work in progress is stated at the lower of cost or net realisable value.

Pension costs

The company operates a defined contribution scheme. Contributions payable to the scheme are charged to the profit and loss in the year in which they relate.

Investments

Investments held as fixed assets are stated at cost less provision for any permanent diminution in value.

Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date, or where appropriate at the forward contract rate. For transactions in foreign currencies where no foreign currency bank account exists, these are recorded at the rate ruling at the date of the transaction.

2. Segmental information

Geographical segments

The directors are of the opinion that disclosure of segmental information would be prejudicial to the company's interests, and consequently such information has not been disclosed.

3. Operating Profit

	2002	2001
	£	£
This is stated after charging:		
Staff costs (note 4)	2,200,203	1,846,673
Depreciation	34,871	35,909
Auditors' remuneration - audit fee	5,500	5,000
Auditors' remuneration - other services	7,883	7,000
Charitable donations	7,400	5,800

HAKLUYT & COMPANY LIMITED**NOTES to the FINANCIAL STATEMENTS (contd)****For the year to 30 June 2002****4. Staff costs**

	2002	2001
	£	£
Wages and salaries	1,756,956	1,547,171
Social security costs	200,589	177,850
Other pension costs	242,658	121,652
	<u>2,200,203</u>	<u>1,846,673</u>

The average number of persons, employed by the company during the year was:

	No.	No.
Directors	5	5
Administration staff	8	8
	<u>13</u>	<u>13</u>

5. Directors' remuneration

	2002	2001
	£	£
Emoluments	1,114,853	989,126
Contribution to money purchase pension schemes	175,258	71,192
	<u>1,290,111</u>	<u>1,060,318</u>

The emoluments of directors disclosed above include the following amounts paid to the highest paid director:

Emoluments	<u>334,948</u>	<u>326,004</u>
Contributions to money purchase pension schemes	<u>20,500</u>	<u>17,056</u>

During the year 4 Directors (2001: 3) accrued benefits under money purchase pension schemes.

HAKLUYT & COMPANY LIMITED

NOTES to the FINANCIAL STATEMENTS (Contd)

For the year to 30 June 2002

6. Tax on profit on ordinary activities

	2002 £	2001 £
Analysis of charge in period		
<u>Current tax</u>		
UK corporation tax on profits of the period 30% (2001: 30%)	346,757	694,912
Adjustments in respect of previous periods	1,157	(786)
	<u>347,914</u>	<u>694,126</u>
<u>Deferred tax</u>		
Origination and reversal of timing differences	3,955	3,497
Adjustments in respect of previous periods	(1,050)	-
	<u>2,905</u>	<u>3,497</u>
Tax on profit on ordinary activities	<u><u>350,819</u></u>	<u><u>697,623</u></u>
	2002 £	2001 £

Factors affecting the tax charge for the period

Profit on ordinary activities before tax	1,004,279	2,253,070
Profit on activities multiplied by full rate of corporation tax in the UK (30%)	<u>301,284</u>	<u>675,921</u>
Effects of		
Expenses not deductible for tax purposes	57,552	32,858
Capital allowances for period in excess of depreciation	(3,955)	(3,497)
Other timing differences	-	1,050
Income not taxable	-	(11,420)
Marginal relief	(8,124)	-
Adjustments to tax charge in respect of previous periods	1,157	(786)
Current tax charge for period	<u><u>347,914</u></u>	<u><u>694,126</u></u>

7. Dividends

	2002 £	2001 £
Interim dividend paid of £2 per ordinary share	162,400	160,700
Second interim dividend of £2 per ordinary share	154,400	162,400
	<u><u>316,800</u></u>	<u><u>323,100</u></u>

HAKLUYT & COMPANY LIMITED
NOTES to the FINANCIAL STATEMENTS (Contd)
For the year to 30 June 2002

8. Tangible fixed assets	Long Leasehold Property	Leasehold Improve't	Office Equipment £	Computer Equipment £	Furniture & fittings £	Total £
Cost						
At 1 July 2001	-	-	19,677	75,331	66,979	161,987
Additions	1,761,062	15,265	7,151	31,299	16,649	1,831,426
Disposals	-	-	-	(807)	-	(807)
	-----	-----	-----	-----	-----	-----
At 30 June 2002	1,761,062	15,265	26,828	105,823	83,628	1,992,606
	-----	-----	-----	-----	-----	-----
Depreciation						
At 1 July 2001	-	-	13,669	32,627	16,766	63,062
Charge for the year	-	-	2,929	19,618	12,324	34,871
Disposals	-	-	-	(568)	-	(568)
	-----	-----	-----	-----	-----	-----
At 30 June 2002	-	-	16,598	51,677	29,090	97,365
	-----	-----	-----	-----	-----	-----
Net book value at 30 June 2002	<u>1,761,062</u>	<u>15,265</u>	<u>10,230</u>	<u>54,146</u>	<u>54,538</u>	<u>1,895,241</u>
Net book value at 30 June 2001	<u>-</u>	<u>-</u>	<u>6,008</u>	<u>42,704</u>	<u>50,213</u>	<u>98,925</u>

9. Fixed asset investments £
Investments

Cost	
At 1 July 2001	-
Additions (Second Edition of Hakluyt Voyages)	19,247

At 30 June 2002	<u>19,247</u>

10. Debtors	2002 £	2001 £
Trade debtors	1,030,266	932,574
Other debtors	495,823	73,325
Prepayments and accrued income	106,698	169,984
	-----	-----
	<u>1,632,787</u>	<u>1,175,883</u>

HAKLUYT & COMPANY LIMITED

NOTES to the FINANCIAL STATEMENTS (contd)

For the year to 30 June 2002

11. Creditors: Amounts falling due within one year

	2002 £	2001 £
Bank loan	1,000,000	-
Trade creditors	216,697	149,490
Corporation tax	221,758	694,912
Other taxation	148,702	98,240
Other creditors	2,112	34,320
Accruals and deferred income	334,657	319,196
Proposed dividend	154,400	-
	<u>2,078,326</u>	<u>1,296,158</u>

The bank loan is repayable on demand and secured over a £1m deposit included in cash at bank and in hand. Interest is charged at 1% over the bank base rate on this loan.

12. Provisions for liabilities and charges

	2002 £	2001 £
Deferred tax		
Accelerated capital allowances	7,502	3,497
Short term timing differences	(1,100)	-
	<u>6,402</u>	<u>3,497</u>
Provision at start of period	3,497	
Deferred tax charge in profit and loss account	2,905	
	<u>6,402</u>	

13. Share Capital

	2002 £	Authorised 2001 £	Allotted, called up & fully paid 2002 £	2001 £
Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>	<u>82,200</u>	<u>81,200</u>

During the year 1,000 ordinary £1 shares were issued at a premium.

The company has share option schemes under which options for 10,800 ordinary shares have been granted as follows:

Option Period	Number of Shares	Option Price per share	ending
Ordinary £1 shares	1,750	£43	May 2009
Ordinary £1 shares	9,050	£99	February 2010
	<u>10,800</u>		

750 of the £43 options lapsed in August 2002.

HAKLUYT & COMPANY LIMITED

NOTES to the FINANCIAL STATEMENTS (Contd)

For the year to 30 June 2002

14. Reserves	Share premium account £	Profit & loss account £	Total £
At 1 July 2001	756,400	1,823,198	2,579,598
Retained profit for the year	-	336,660	336,660
Premium arising on the issue of ordinary shares of £1 each	42,000	-	42,000
At 30 June 2002	798,400	2,159,858	2,958,258

15. Reconciliation of movement in shareholders' funds	2002 £	2001 £
Profit for the financial year	653,460	1,555,447
Dividends paid and proposed	(316,800)	(323,100)
	336,660	1,232,347
New share capital subscribed	43,000	79,550
	379,660	1,311,897
Net addition to shareholders' funds	2,660,798	1,348,901
Opening shareholders' funds	3,040,458	2,660,798
Closing shareholders' funds	3,040,458	2,660,798

16. Reconciliation of operating profit to net cash inflow from operating activities		
Operating profit	887,388	2,080,074
Depreciation	34,871	35,909
Gain on disposal of equipment	(11)	-
(Increase)/decrease in work-in-progress	(5,608)	32,751
Decrease in debtors	38,096	33,704
Increase/(decrease) in creditors	100,922	(768,612)
	1,055,658	1,413,826

17. Analysis of changes in net funds	At 1 July 2001	Cashflows	At 30 June 2002
Cash at bank and in hand	2,658,032	(1,113,342)	1,544,690
Debt due within one year	-	(1,000,000)	(1,000,000)
	2,658,032	(2,113,342)	544,690

HAKLUYT & COMPANY LIMITED

NOTES to the FINANCIAL STATEMENTS (Contd)

For the year to 30 June 2002

18. Other financial commitments

At 30 June 2002 the company was committed to making the following payments under non-cancellable operating leases in the year to 30 June 2003:

	Land and Buildings 2002 £	2001 £
Operating leases which expire:		
Within two to five years	-	-
After five years	13,000	97,500
	<u>13,000</u>	<u>97,500</u>

During the year the company acquired the leasehold property at 34 Upper Brook Street, London which it had previously rented. The remaining lease commitment is for the ground lease at the same address.

19. Pension commitments

The company operates two defined contribution schemes. The assets of the schemes are held separately from those of the company in independently administered funds. The pension cost charge represents contributions payable by the company to the funds and amounted to £242,658 (2001: £121,652). At 30 June 2002 pension contributions of £Nil were outstanding (2001: £3,500).

20. Subsequent events

Subsequent to the year end the company bought back 5,000 of its own ordinary £1 shares at a cost of £495,000. On 8 July 2002 the bank loan was reduced by £500,000.