

Company Registration Number 3481321

**HAKLUYT & COMPANY LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**30 JUNE 2005**



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COMPANIES HOUSE 05/10/05

# **HAKLUYT & COMPANY LIMITED**

## **FINANCIAL STATEMENTS**

**YEAR ENDED 30 JUNE 2005**

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# **HAKLUYT & COMPANY LIMITED**

## **OFFICERS AND PROFESSIONAL ADVISERS**

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### **The Board of Directors**

Sir William Purves  
Mark Getty  
Sir John Weston  
Keith Craig  
Rupert Huxter  
Christopher James

### **Company Secretary**

Susan Stafford

### **Registered Office**

34 Upper Brook Street  
London  
W1K 7QS

### **Auditors**

Chiene & Tait, CA  
61 Dublin Street  
Edinburgh  
EH3 6NL

### **Bankers**

Coutts & Co  
440 Strand  
London  
WC2R 0QS

### **Solicitors**

Speechly Bircham  
6 St Andrew Street  
London  
EC4 3LX

# HAKLUYT & COMPANY LIMITED

## THE DIRECTORS' REPORT

YEAR ENDED 30 JUNE 2005

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 30 June 2005.

### Principal activities and review of the business

The principal activity of the company during the year was the research and supply of information for the use of commerce.

The company enjoyed a year of further growth in sales and profits. The directors anticipate that the levels achieved can be maintained in the year ahead.

### 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 of such risks.

### 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 following dividends were paid on the recommendation of the directors:

	2005 £	2004 £
Dividends paid on ordinary shares	<u>751,981</u>	<u>627,900</u>

### The directors and their interests in the shares of the company

The directors who served the company during the year together with their beneficial interests in the shares of the company were as follows:

		Ordinary Shares of £1 each	
		At 30 June 2005	At 1 July 2004 or later date of appointment
Sir William Purves		5,000	5,000
Lady Getty	(Retired 23 November 2004)	—	—
Mark Getty	(Appointed 26 May 2005)	—	—
Sir John Weston		600	400
Keith Craig		5,500	4,500
Rupert Huxter	(Appointed 1 December 2004)	250	—
Christopher James		<u>18,000</u>	<u>18,000</u>

Mark Getty is also a director and shareholder in Transon Limited, a company which owns 14,850 ordinary shares of £1 each.

During the year Keith Craig exercised an option to purchase 1,000 shares at a price of £58.00 per share. In addition, he has options to purchase a further 3,500 shares for a consideration of £58.00 per share. The option period for these shares is 28 February 2005 to 28 February 2010. Rupert Huxter also has options to purchase 3,830 shares for a consideration ranging between £80.80 and £101.00 and a further 1,000 shares for a consideration ranging between £96.80 and £121.00. The option periods for these shares is 16 December 2004 to 22 September 2012 and 18 January 2005 to 15 December 2012 respectively.

# HAKLUYT & COMPANY LIMITED

## THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 30 JUNE 2005

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### Disclosure of information to auditors

The directors confirm that:

so far as they are aware, there is no relevant audit information of which the company's auditors are unaware; and

each director has taken all the steps he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

### 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 page 8, 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.

### Donations

During the year the company made the following contributions:

	2005	2004
	£	£
Charitable	<u>24,979</u>	<u>10,400</u>

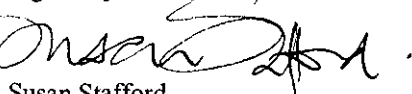
### Purchase of own shares

During the year 1,000 ordinary £1 shares were repurchased by the company for a consideration of £121,000. These shares represent 1.5% of the issued share capital. The company also issued a further 4,706 ordinary shares of £1 each for a total consideration of £390,906 during the year.

### Auditors

A resolution to re-appoint Chiene & Tait, CA 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



Susan Stafford  
Company Secretary

Approved by the directors on 16 September 2005

# HAKLUYT & COMPANY LIMITED



## INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS

YEAR ENDED 30 JUNE 2005

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 page 8.

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 auditors' 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 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 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 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.

### 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 30 June 2005 and of its profit for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

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

16 September 2005

# HAKLUYT & COMPANY LIMITED

## PROFIT AND LOSS ACCOUNT

YEAR ENDED 30 JUNE 2005

	Note	2005 £	2004 £
Turnover	2	9,635,559	7,666,708
Cost of sales		(2,437,022)	(1,880,551)
Gross profit		7,198,537	5,786,157
Administrative expenses		(4,908,262)	(3,968,958)
Operating profit	3	2,290,275	1,817,199
Interest receivable		53,106	62,880
Profit on ordinary activities before taxation		2,343,381	1,880,079
Tax on profit on ordinary activities	6	(708,517)	(551,158)
Profit on ordinary activities after taxation		1,634,864	1,328,921
Dividends	7	(751,981)	(627,900)
Retained profit for the financial year		882,883	701,021

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

### Statement of Total Recognised Gains and Losses

	2005 £	2004 £
Profit for the financial year attributable to the shareholders	1,634,864	1,328,921
Total gains and losses relating to the year	1,634,864	1,328,921
Prior year adjustment	—	(106,038)
Total gains and losses recognised since the last annual report	1,634,864	1,222,883

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

# HAKLUYT & COMPANY LIMITED

## BALANCE SHEET

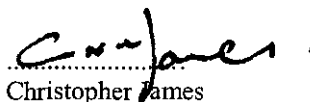
30 JUNE 2005

	Note	£	2005 £	2004 £
<b>Fixed assets</b>				
Tangible assets	8		1,875,573	1,878,015
Investments	9		78,567	77,347
			<u>1,954,140</u>	<u>1,955,362</u>
<b>Current assets</b>				
Stocks	10	53,964		9,376
Debtors	11	2,088,902		1,791,785
Cash at bank and in hand		1,421,397		717,386
			<u>3,564,263</u>	<u>2,518,547</u>
<b>Creditors: amounts falling due within one year</b>	12	1,973,884		2,112,313
<b>Net current assets</b>			<u>1,590,379</u>	<u>406,234</u>
<b>Total assets less current liabilities</b>			<u>3,544,519</u>	<u>2,361,596</u>
<b>Provisions for liabilities and charges</b>				
Deferred taxation	14		11,510	15,121
Other Provisions	15		33,745	—
			<u>3,499,264</u>	<u>2,346,475</u>
<b>Capital and reserves</b>				
Called-up equity share capital	18		68,906	65,200
Share premium account	19		1,335,900	949,700
Capital Redemption Reserve	20		19,700	18,700
Profit and loss account	21		2,074,758	1,312,875
<b>Shareholders' funds</b>	22		<u>3,499,264</u>	<u>2,346,475</u>

These financial statements were approved by the directors on the 16 September 2005 and are signed on their behalf by:



Sir William Purves



Christopher James

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



# HAKLUYT & COMPANY LIMITED

## CASH FLOW STATEMENT

YEAR ENDED 30 JUNE 2005

	Note	£	2005 £	2004 £
Net cash inflow from operating activities	23		2,066,392	1,829,857
Returns on investments and servicing of finance				
Interest received		53,462		68,431
Net cash inflow from returns on investments and servicing of finance			53,462	68,431
Taxation			(870,562)	(417,851)
Capital expenditure and financial investment				
Payments to acquire tangible fixed assets		(63,206)		(22,028)
Acquisition of Investments		—		(600)
Net cash outflow for capital expenditure and financial investment			(63,206)	(22,628)
Equity dividends paid			(751,981)	(627,900)
Cash inflow before financing			434,105	829,909
Financing				
Issue of equity share capital		4,706		1,700
Share premium on issue of equity share capital		386,200		151,300
Purchase of own equity shares		(1,000)		(13,700)
Premium on purchase of own equity shares		(120,000)		(1,370,000)
Net cash inflow/(outflow) from financing			269,906	(1,230,700)
Increase/(decrease) in cash	24		704,011	(400,791)

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

# HAKLUYT & COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2005

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### 1. Accounting policies

#### **Basis of accounting**

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

#### **Turnover**

Turnover represents the invoiced value of services less 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 Improvements	- 10% Reducing balance
Office Equipment	- 25% Reducing balance
Furniture and Fittings	- 20% Reducing balance
Computer Equipment	- 33% Straight line

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 2005.

During the year the directors reviewed the depreciation policies for all categories of fixed assets and following this review it was agreed to amend the rate of depreciation in respect of computer equipment from 33% reducing balance to 33% straight line. The depreciation charge for the year following the implementation of the revised rates amounts to £64,464. The equivalent depreciation charge under the previous depreciation rates would have been £44,543.

#### **Work in progress**

Work in progress is valued on the basis of the lower of direct costs and net realisable value.

#### **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.

#### **Pension costs**

The company contributes to two Group Personal Pension Schemes. The annual contributions payable are charged to the profit and loss account.

#### **Deferred taxation**

Deferred tax is provided on the liability method to take account of timing differences between the treatment of certain items for accounting purposes and the treatment for tax purposes. Tax deferred is accounted for in respect of all material timing differences. Deferred tax assets are only recognised to the extent that they are regarded as recoverable.

#### **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.

#### **Investments**

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

# HAKLUYT & COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2005

### 2. Turnover

#### 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

Operating profit is stated after charging:

	2005 £	2004 £
Depreciation	64,428	36,460
Auditors' remuneration		
- as auditors	6,000	6,000
- for other services	21,495	18,315
Net loss on foreign currency translation	23,905	47,855

### 4. Particulars of employees

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

	2005 No	2004 No
Directors	5	5
Executives	9	7
Number of administrative staff	4	4
	18	16

The aggregate payroll costs of the above were:

	2005 £	2004 £
Wages and salaries	2,901,832	2,315,399
Social security costs	398,813	288,222
Other pension costs	172,953	153,024
	3,473,598	2,756,645

### 5. Directors' emoluments

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

	2005 £	2004 £
Emoluments receivable	1,201,526	1,258,592
Value of company pension contributions to money purchase schemes	52,240	62,583
	1,253,766	1,321,175

# HAKLUYT & COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2005

### 5. Directors' emoluments *(continued)*

#### Emoluments of highest paid director:

	2005 £	2004 £
Total emoluments (excluding pension contributions)	484,187	440,685
Value of company pension contributions to money purchase schemes	24,000	24,000
	<u>508,187</u>	<u>464,685</u>

The number of directors who accrued benefits under company pension schemes was as follows:

	2005 No	2004 No
Money purchase schemes	<u>4</u>	<u>3</u>

The number of directors who exercised share options during the year were as follows:

	2005 No	2004 No
Directors who exercised share options	<u>1</u>	<u>—</u>

### 6. Taxation on ordinary activities

#### (a) Analysis of charge in the year

	2005 £	2004 £
Current tax:		
In respect of the year:		
UK Corporation tax based on the results for the year at 30% (2004 - 30%)	720,515	600,180
Over provision in prior year	(8,387)	(51,089)
Total current tax	<u>712,128</u>	<u>549,091</u>
Deferred tax:		
Origination and reversal of timing differences	(3,611)	2,067
Tax on profit on ordinary activities	<u>708,517</u>	<u>551,158</u>

# HAKLUYT & COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2005

### 6. Taxation on ordinary activities *(continued)*

#### (b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 30% (2004 - 30%).

	2005 £	2004 £
Profit on ordinary activities before taxation	2,343,381	1,880,079
Profit on ordinary activities multiplied by full rate of UK corporation tax	703,014	564,024
Expenses not deductible for tax purposes	56,268	60,986
Capital allowances for period in excess of depreciation	3,004	(24,830)
Other timing differences	529	—
Employee share deductions	(42,300)	—
Adjustments to tax charge in respect of previous periods	(8,387)	(51,089)
Total current tax (note 6(a))	712,128	549,091

### 7. Dividends

The following dividends have been paid in respect of the year:

	2005 £	2004 £
First Interim Dividend paid of £4.50 (2004: £3.00) per ordinary share	304,092	236,700
Second Interim Dividend paid of £6.50 (2004: £6.00) per ordinary share	447,889	391,200
	751,981	627,900

### 8. Tangible fixed assets

	Long Leasehold Property £	Office equipment £	Furniture & Fittings £	Computer Equipment £	Total £
<b>Cost</b>					
At 1 July 2004	1,777,409	34,294	92,634	146,215	2,050,552
Additions	—	15,919	4,265	43,022	63,206
Disposals	—	—	(3,648)	—	(3,648)
<b>At 30 June 2005</b>	<u>1,777,409</u>	<u>50,213</u>	<u>93,251</u>	<u>189,237</u>	<u>2,110,110</u>
<b>Depreciation</b>					
At 1 July 2004	2,891	24,169	52,364	93,113	172,537
Charge for the year	1,232	5,563	9,269	48,364	64,428
On disposals	—	—	(2,428)	—	(2,428)
<b>At 30 June 2005</b>	<u>4,123</u>	<u>29,732</u>	<u>59,205</u>	<u>141,477</u>	<u>234,537</u>
<b>Net book value</b>					
<b>At 30 June 2005</b>	<u>1,773,286</u>	<u>20,481</u>	<u>34,046</u>	<u>47,760</u>	<u>1,875,573</u>
At 30 June 2004	<u>1,774,518</u>	<u>10,125</u>	<u>40,270</u>	<u>53,102</u>	<u>1,878,015</u>

# HAKLUYT & COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2005

### 9. Investments

#### Hakluyt manuscripts and antique office furniture

##### Cost

At 1 July 2004	77,347
Additions	1,220
At 30 June 2005	<u>78,567</u>
Net book value	
At 30 June 2005	<u>78,567</u>
At 30 June 2004	<u>77,347</u>

The above investments represent Hakluyt manuscripts costing £20,467, antique office furniture costing £57,500 and artwork costing £600.

### 10. Stocks

	2005 £	2004 £
Work in progress	<u>53,964</u>	<u>9,376</u>

### 11. Debtors

	2005 £	2004 £
Trade debtors	1,975,604	1,594,289
Corporation tax repayable	–	77,231
Other debtors	15,270	9,634
Prepayments and accrued income	98,028	110,631
	<u>2,088,902</u>	<u>1,791,785</u>

### 12. Creditors: amounts falling due within one year

	2005 £	2004 £
Trade creditors	242,002	266,194
Corporation tax	364,515	600,180
Other taxation and social security	939,223	737,444
Other creditors	5,738	101,868
Accruals and deferred income	422,406	406,627
	<u>1,973,884</u>	<u>2,112,313</u>

### 13. Pensions

The company operates two defined contribution Group Personal Pension Plans. The pension cost charge represents contributions payable by the company to the funds and amounted to £172,953 (2004: £153,024). At 30 June 2005 pension contributions of £5,583 were outstanding (2004: £4,588).

# HAKLUYT & COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2005

### 14. Deferred taxation

	2005 £	2004 £
The movement in the deferred taxation provision during the year was:		
Provision brought forward	15,121	13,054
Profit and loss account movement arising during the year	(3,611)	2,067
Provision carried forward	<u>11,510</u>	<u>15,121</u>

The provision for deferred taxation consists of the tax effect of timing differences in respect of:

	2005 £	2004 £
Excess of taxation allowances over depreciation on fixed assets	14,422	17,510
Short term timing differences	(2,912)	(2,389)
	<u>11,510</u>	<u>15,121</u>

### 15. Other provisions

	2005 £
<b>Employers' NI on unapproved share options:</b>	
Movement for year	<u>33,745</u>

In accordance with UITF Abstract 25 "National Insurance contributions on share option gains", the company has made provision for National Insurance contributions on outstanding unapproved share options that are expected to be exercised.

### 16. Commitments under operating leases

At 30 June 2005 the company had annual commitments under non-cancellable operating leases as set out below.

	2005		2004	
	Land & Buildings £	Other Items £	Land & Buildings £	Other Items £
Operating leases which expire:				
Within 2 to 5 years	—	3,220	—	1,620
After more than 5 years	13,000	—	13,000	—
	<u>13,000</u>	<u>3,220</u>	<u>13,000</u>	<u>1,620</u>

The operating lease for land and buildings relates to ground rent for the Company's premises at 34 Upper Brook Street, London. The other operating lease relates to the lease of a photocopier.

### 17. Related party transactions

In August 2002 the company loaned an employee £9,000. Interest is charged of 3% per annum on the loan which is being repaid on a monthly basis. The balance of the loan was fully repaid during the year.

# HAKLUYT & COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2005

### 18. Share capital

#### Authorised share capital:

	2005 £	2004 £
100,000 Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>

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

	2005 No	£	2004 No	£
Ordinary shares of £1 each	<u>68,906</u>	<u>68,906</u>	<u>65,200</u>	<u>65,200</u>

During the year the company issued 4,706 ordinary £1 shares for a total consideration of £390,906. The company also repurchased 1,000 ordinary £1 shares for a consideration of £121,000.

The company has share option schemes under which options for 14,470 ordinary shares have been granted and were outstanding at the year end as follows:

	Option granted by the Board	Number of shares	Option price per share	Option period
<b>Approved</b>				
Ordinary £1 shares	22/04/03	724	£58	28/02/05-28/02/10
Ordinary £1 shares	22/04/03	3,275	£58	30/05/06-30/05/11
Ordinary £1 shares	16/12/04	1,538	£95	22/09/07-22/09/12
Ordinary £1 shares	21/04/05	720	£96.80	21/04/08-21/04/13
		<u>6,257</u>		
<b>Unapproved</b>				
Ordinary £1 shares	30/05/03	2,776	£58	28/02/05-28/02/10
Ordinary £1 shares	16/12/04	4,437	£101/£80.80	16/12/04-22/09/12
Ordinary £1 shares	18/01/05	1,000	£121/£96.80	18/01/05-15/12/12
		<u>8,213</u>		

During the year 1,000 of the approved share options were exercised at a price of £43 per share and a further 1,000 were exercised at a price of £58 per share.

### 19. Share premium account

	2005 £	2004 £
Balance brought forward	949,700	798,400
Premium on shares issued in the year	<u>386,200</u>	<u>151,300</u>
Balance carried forward	<u>1,335,900</u>	<u>949,700</u>



# HAKLUYT & COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2005

### 20. Capital redemption reserve

	2005	2004
	£	£
Balance brought forward	18,700	5,000
Purchase of own shares	1,000	13,700
	<u>19,700</u>	<u>18,700</u>

During the year 1,000 ordinary £1 shares were repurchased by the company for a consideration of £121,000. These shares represent 1.5% of the issued share capital.

### 21. Profit and loss account

	2005	2004
	£	£
Balance brought forward	1,312,875	1,995,554
Retained profit for the financial year	882,883	701,021
Purchase of own shares	(121,000)	(1,383,700)
Balance carried forward	<u>2,074,758</u>	<u>1,312,875</u>

### 22. Reconciliation of movements in shareholders' funds

	£	2005	2004
		£	£
Profit for the financial year		1,634,864	1,328,921
Dividends		(751,981)	(627,900)
		<u>882,883</u>	<u>701,021</u>
New equity share capital subscribed	4,706		1,700
Premium on new share capital subscribed	386,200		151,300
		<u>390,906</u>	<u>153,000</u>
Purchase of own equity shares	(1,000)		(13,700)
Premium on purchase of own equity shares	(120,000)		(1,370,000)
		<u>(121,000)</u>	<u>(1,383,700)</u>
Net addition/(reduction) to funds		1,152,789	(529,679)
Opening shareholders' equity funds		2,346,475	2,876,154
Closing shareholders' equity funds		<u>3,499,264</u>	<u>2,346,475</u>

# HAKLUYT & COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2005

### 23. Reconciliation of operating profit to net cash inflow from operating activities

	2005 £	2004 £
Operating profit	2,290,275	1,817,199
Depreciation	64,428	36,460
(Increase)/decrease in stocks	(44,588)	39,780
Increase in debtors	(374,704)	(518,857)
Increase in creditors	97,236	455,275
Increase in provisions	33,745	—
Net cash inflow from operating activities	<u>2,066,392</u>	<u>1,829,857</u>

### 24. Reconciliation of net cash flow to movement in net funds

	£	2005 £	2004 £
Increase/(decrease) in cash in the period	704,011		(400,791)
		<u>704,011</u>	<u>(400,791)</u>
Change in net funds		704,011	(400,791)
Net funds at 1 July 2004		717,386	1,118,177
Net funds at 30 June 2005		<u>1,421,397</u>	<u>717,386</u>

### 25. Analysis of changes in net funds

	At 1 Jul 2004 £	Cash flows £	At 30 Jun 2005 £
Net cash:			
Cash in hand and at bank	717,386	704,011	1,421,397
Net funds	<u>717,386</u>	<u>704,011</u>	<u>1,421,397</u>

### 26. Capital commitments

Amounts contracted for but not provided in the financial statements amounted to £Nil (2004 - £10,515).