192-640

DIRECTORS' REPORT

The directors present their report and the audited consolidated accounts of the Company and its subsidiary undertakings for the year ended 31 March 2002.

REVIEW OF THE BUSINESS AND FUTURE PROSPECTS

The Company is a holding company and the principal activities of its subsidiary undertakings are currency overlay, fund management and consultancy services. The funds under management have performed well during the year and the amount of risk under mandate in the Group remains in excess of £5 billion. The Group continues to pursue opportunities to broaden both the services offered and the client base.

RESULTS AND DIVIDENDS

The consolidated profit and loss account for the year ended 31 March 2002 set out on page 5, shows a loss after tax of £90,746 (2001 profit: £313,084). An interim dividend of £256,362 was paid to shareholders in November 2001 (2001: £nil). The directors recommend the payment of a final dividend of £258,535 (2001: £nil) payable from reserves.

DIRECTORS

The directors of the Company and their interests in its ordinary class shares are set out below:

		SHARES	
		31 March 2002	1 April 2001
		10p Ordinary Number	10p Ordinary Number
N P Record (Chairman)	- beneficial	214,010	225,744
	- non-beneficial	4,050	4,050
L T Halpin*		49,944	49,944
M D Timmins		8,943	2,368
A H D Weldon*	- non-beneficial	89,302	89,302
L F Hill		23,526	17,659

* Indicates non-executive.

The Group has three active share option schemes for directors and employees - two over new shares and one over shares already in issue held in an Employee Share Options Trust.

Approved Share Option Scheme over un-issued shares

Options issued under this scheme are over the Ordinary 10 pence shares and benefit from Income Tax relief at the point of exercise. At the year-end there were 21,957 approved share options outstanding (2001: 32,902). No new options were issued under this scheme during the year.

DIRECTORS' REPORT (CONTINUED)

Market Share Price Enterprise Management Incentive (MSP EMI) over un-issued shares

Options issued under this scheme are over 'A' Ordinary 10 pence shares and enjoy Capital Gains Tax taper relief benefits. During the year 13,777 MSP EMI share options were issued and at the year-end 13,777 MSP EMI share options were still outstanding.

There are currently no unapproved share options outstanding.

Discounted Share Price Enterprise Management Incentive (DSP EMI) over issued shares

Options issued under this scheme are over 'A' Ordinary shares already in issue and held in an Employee Share Option Trust (ESOT). During the year 23,508 DSP EMI share options were issued and at the year-end 23,358 DSP EMI share options were still outstanding.

The chart below shows the directors' interests in share options at the beginning and at the end of the financial year. In addition, a weighted average option price is shown for each director's option holding as at 31 March 2002.

	SHARE OPTIONS				
	Balance 1 April 2001	**Number exercised**	**Number surrendered**	**Balance 31 March 2002**	**Weighted average option price**
N P Record	3,862	-	-	3,862	£2.50
L T Halpin*	-	-	-	-	-
M D Timmins	17,867	6,575	-	11,292	£4.48
A H D Weldon*	-	-	-	-	-
L F Hill	11,736	-	-	11,736	£6.00

* Indicates non-executive

N P Record will retire by rotation at the annual general meeting and, being eligible, will offer himself for re-election.

DIRECTORS' AND OFFICERS' INSURANCE

The Company has maintained insurance to cover directors' and officers' liability as permitted by S310(3)(a) of the Companies Act 1985 (as amended).

PERSONNEL

During the year the Group has retained quality staff to maintain its high levels of service. The Group aims to motivate and retain staff by ensuring that remuneration and benefits are competitive.

DIRECTORS' REPORT (CONTINUED)

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law in the United Kingdom 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 the group and of the profit or loss of the group for that period. In preparing those financial statements, the directors are required to:

a) select suitable accounting policies and then apply them consistently

b) make judgements and estimates that are reasonable and prudent

c) state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements

d) prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The directors are responsible for keeping proper accounting records, for safeguarding the assets of the group and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

PAYMENT POLICY AND PRACTICE

It is the Group's policy to settle the terms of payment with suppliers when agreeing the terms of the transaction, to ensure that suppliers are aware of these terms and to abide by them. Trade creditors at the year end amount to 10.0 days (2001: 8.9 days) of average supplies for the year.

AUDITORS

The appointment of Grant Thornton as auditors was approved by members at the annual general meeting in August 2001. Grant Thornton have indicated their willingness to be re-appointed and a resolution to that effect will be proposed at the 2002 annual general meeting.

By Order of the Board

M D Timmins
Secretary

14 June 2002

Company Registration No : 1927640

AUDITORS' REPORT TO THE MEMBERS OF N.P.RECORD LIMITED

We have audited the financial statements of N.P.Record Limited for the year ended 31 March 2002 which comprise the principal accounting policies, the consolidated profit and loss account, the balance sheets, the consolidated cash flow statement, the consolidated statement of total recognised gains and losses and notes 1 to 17 on pages 9 to 20. These financial statements have been prepared under the accounting policies set out therein.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The directors' responsibilities for preparing the directors' report and the financial statements in accordance with United Kingdom law and 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 directors' report, and consider whether it is consistent with the audited financial statements. 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 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 group'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 affairs of the company and the group as at 31 March 2002 and of the profit of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Grant Thornton

GRANT THORNTON
Registered Auditors and Chartered Accountants
Grant Thornton House, Melton Street, Euston Square
London NW1 2EP

14 June 2002

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2002

	Note	2002	2001
		£	£
TURNOVER	2	3,152,453	3,257,279
Administrative expenses		(2,667,041)	(2,833,765)
OPERATING PROFIT	2a	485,412	423,514
Interest receivable		72,031	82,120
Interest payable	3	(364)	(417)
Profit on disposal of investments	9	-	1,267
PROFIT ON ORDINARY ACTIVITIES BEFORE TAX		557,079	506,484
Tax on profit on ordinary activities	6	(132,928)	(193,400)
PROFIT ON ORDINARY ACTIVITIES AFTER TAX		424,151	313,084
Dividends paid/payable	7	(514,897)	-
(LOSS)/PROFIT FOR THE FINANCIAL YEAR TRANSFERRED TO RESERVES	13	(90,746)	313,084

All transactions arise from continuing activities.

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

	Note	2002	2001
		£	£
(Loss)/Profit for the financial year		(90,746)	313,084
Exchange gain	13	(143)	6,302
Unrealised gain on trade investments	9	-	6,247
TOTAL (LOSSES)/GAINS RECOGNISED		(90,889)	325,633

NOTE OF HISTORICAL COST PROFITS AND LOSSES

	Note	2002	2001
		£	£
Profits on ordinary activities before tax		557,079	506,484
Realisation of revaluation gains	9	-	65,698
HISTORICAL COST PROFIT ON ORDINARY ACTIVITES BEFORE TAX		557,079	572,182

The notes on pages 9 to 20 form part of these accounts.

CONSOLIDATED BALANCE SHEET FOR THE YEAR ENDED 31 MARCH 2002

	Notes	2002		2001	
		£	£	£	£
FIXED ASSETS					
Tangible assets	8		52,763		65,392
Investments	9		-		10,549
			52,763		75,941
CURRENT ASSETS					
Debtors	10	1,047,965		1,123,232	
Cash at bank and in hand		1,637,795		1,470,098	
		2,685,760		2,593,330	
CREDITORS					
Amounts falling due within 1 year	11	(884,783)		(752,005)	
NET CURRENT ASSETS			1,800,977		1,841,325
TOTAL ASSETS LESS CURRENT LIABILITIES			1,853,740		1,917,266
CAPITAL AND RESERVES					
Called up share capital	12		54,058		52,963
Share premium account	13		317,355		291,087
Capital redemption reserve	13		43,233		43,233
Profit and loss account	13		1,439,094		1,529,983
SHAREHOLDERS' FUNDS	13		1,853,740		1,917,266

Approved by the Board on 14 June 2002

N P Record

The notes on pages 9 to 20 form part of these accounts.

COMPANY BALANCE SHEET FOR THE YEAR ENDED 31 MARCH 2002

	Notes	2002		2001	
		£	£	£	£
FIXED ASSETS					
Investments	9		38,274		38,274
CURRENT ASSETS					
Debtors	10	301,241		675	
Cash at bank and in hand		491,761		696,740	
		793,002		697,415	
CREDITORS					
Amounts falling due within 1 year	11	(264,530)		(17,101)	
NET CURRENT ASSETS			528,472		680,314
TOTAL ASSETS LESS CURRENT LIABILITIES			566,746		718,588
CAPITAL AND RESERVES					
Called up share capital	12		54,058		52,963
Share premium account	13		317,355		291,087
Capital redemption reserve	13		43,233		43,233
Profit and loss account	13		152,100		331,305
SHAREHOLDERS' FUNDS	13		566,746		718,588

Approved by the Board on 14 June 2002

N P Record

The notes on pages 9 to 20 form part of these accounts.

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2002

	2002		2001	
	£	£	£	£
CASH INFLOW FROM OPERATING ACTIVITIES (Note A)		574,211		283,206
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE				
Interest received	71,855		81,056	
Interest paid	(364)		(417)	
		71,491		80,639
TAXATION				
Corporation tax paid		(228,843)		(73,793)
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT				
Purchase of tangible fixed assets		(30,651)		(41,540)
DISPOSALS				
Sale of investments		10,472		389,677
CASH INFLOW BEFORE FINANCING		396,680		638,189
FINANCING				
Issue of ordinary share capital (Note C)	27,363		23,500	
Distributions paid	(256,362)		(535,085)	
CASH (OUTFLOW)/INFLOW FROM FINANCING		(228,999)		(511,585)
INCREASE IN CASH (Note B)		167,681		126,604

The notes on page 9 to 20 form part of these accounts.

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

A Cashflow from Operating Activities

	2002	2001
	£	£
Operating profit	485,412	423,514
Depreciation	43,280	53,679
Loss on sale of fixed assets	-	747
Increase in debtors	75,384	(385,227)
Increase in creditors	(29,865)	190,493
Cash inflow from operating activities	574,211	283,206

B Analysis of Changes in Net Funds

	At 1 April 2001	Cash Flow	Exchange movement	At 31 March 2002
	£	£	£	£
Cash at bank and in hand	1,470,098	167,681	16	1,637,795

C Reconciliation of Net Cashflow to Movement in Net Funds

	2002	2001
	£	£
Increase in cash in the year before financing	396,680	638,189
Cash outflow from distributions made	(256,362)	(535,085)
Cash inflow from issue of shares	27,363	23,500
Change in net funds resulting from cash flows	167,681	126,604
Effect of foreign exchange changes	16	4,535
Movement in net funds in the year	167,696	131,139
Net funds brought forward at 1 April	1,470,098	1,338,959
Net funds carried forward at 31 March	1,637,795	1,470,098

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2002

1 ACCOUNTING POLICIES

(a) Accounting Convention

The accounts have been prepared in accordance with applicable accounting standards and under the historical cost convention. The principal accounting policies which the directors have adopted are stated below. The policies have remained unchanged from the previous year.

(b) Basis of Consolidation

The consolidated accounts incorporate those of N.P.Record Limited and all its subsidiary undertakings.

(c) Turnover

Turnover represents the value of currency overlay, fund management and consultancy services rendered (excluding value added tax), and the net profit or loss from currency transactions. Profits and losses on currency transactions are accounted for on the maturity of each contract; provision is made for any foreseeable losses arising from open contracts.

(d) Depreciation

Tangible fixed assets are stated at cost and are depreciated on a straight line basis from the date of purchase over their estimated useful economic lives as follows:

Computer equipment	-	2 years
Fixtures and fittings	-	4 years
Leasehold premises	-	period from acquisition to next rent review

(e) Foreign Currencies

The profits and losses of foreign subsidiaries are translated into sterling at the average rates prevailing during the year, and the assets and liabilities are translated into sterling at the rates ruling at the year end. The resulting exchange differences are dealt with through reserves. Other assets and liabilities expressed in foreign currencies are translated into sterling at the rates ruling at the year end and exchange differences arising thereon are dealt with through the profit and loss account.

(f) Pensions (Defined Contribution Scheme)

The charge against profits is the amount of contributions payable to the pension scheme in respect of the accounting period.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2002(CONTINUED)

(g) Deferred Tax

Deferred tax is provided for on all material timing differences between where the transactions or events that give the Group an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred by the balance sheet date. Deferred tax assets are recognised when it is more likely than not that they will be recovered. Deferred tax is measured using rates of tax that have been enacted or substantially enacted by the balance sheet date.

(h) Investments

Trade investments where there is a readily ascertainable market, are stated at market value. Unrealised losses on revaluation are taken to the profit and loss account and unrealised gains are taken to the revaluation reserve.

Investments in participating interests are stated at cost, less any provision for a permanent diminution in value.

(i) Leasing

Rentals paid under operating leases are charged to income on a straight line basis over the term of the lease.

(j) Research and Development

Research and development costs are charged to the profit and loss account as incurred.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2002 (CONTINUED)

2 SEGMENTAL ANALYSIS

(a) Classes of Business

The Group activities have been analysed between the two major trading activities, currency overlay management plus other group activities which includes consultancy.

	2002	2001
	£	£
Turnover		
Currency overlay management	2,920,781	3,055,539
Other group activities	231,672	201,740
	3,152,453	3,257,279
Operating Profit		
Currency overlay management	453,800	397,551
Other group activities	31,612	25,963
	485,412	423,514
Net Assets		
Currency overlay management	1,665,125	1,745,695
Other group activities	188,615	171,571
	1,853,740	1,917,266

(b) Geographical Segments

The geographical analysis of turnover is based on destination. All turnover originated in the UK.

	2002	2001
	£	£
Currency Overlay Management		
US	1,642,140	1,711,763
European	1,278,641	1,343,776
	2,920,781	3,055,539
Other Group Activities		
Bermuda	7,071	36,640
Other	224,601	165,100
	231,672	201,740

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2002 (CONTINUED)

3 PROFIT ON ORDINARY ACTIVITIES BEFORE TAX

The profit on ordinary activities before tax is stated after charging/(crediting):

	2002	2001
	£	£
Depreciation	43,280	53,679
Auditors' remuneration		
Audit	20,730	17,246
Other services	8,600	8,070
Interest payable on bank and other borrowings repayable within 5 years	364	417
Operating lease rentals payable	86,000	86,000
Loss on sale of fixed assets	0	747
Exchange losses/(gains) from hedging activities	(7,853)	53,319
Other exchange (gains)/losses	(15)	(423)

4 EMPLOYEES

The average number of people employed by the Company including directors during the year was:

	2002	2001
Sales and Marketing	4	5
Portfolio Management	6	6
Operations	5	5
Information Systems	3	2
Finance and Administration	4	4
	22	22

The costs in respect of their employment were:

	2002	2001
	£	£
Wages and salaries	1,136,844	1,226,384
Social security costs	126,289	139,054
Pension costs	107,002	104,762
	1,370,135	1,470,200

The Group operates a group profit bonus scheme and a discretionary bonus scheme which rewards outstanding effort and achievement.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2002(CONTINUED)

5 DIRECTORS' EMOLUMENTS

	2002	2001
	£	£
Aggregate emoluments of the directors		
Emoluments (excluding pension contribution)	916,166	793,180
Pension contribution	66,406	69,084
Emoluments of the highest paid director		
Emoluments (excluding pension contribution)	200,776	196,353
Pension contribution	-	-

During the year, 2 directors of the Company (2001: 3) participated in the Company's self-administered money purchase pension scheme.

During the year two loans to directors remained outstanding as follows:

Name	Date of Loan	Outstanding at 1 April 2001	Outstanding at 31 March 2002	Maximum liability in period
		£	£	£
M D Timmins	3 April 2000	2,500	-	2,500
N P Record	20 September 2000	3,750	1,250	3,750

Both loans were made at 0% interest and were repayable within 2 years.

6 TAX ON PROFIT ON ORDINARY ACTIVITIES

	2002	2001
	£	£
Group UK corporation tax at 30% (2001 - 30%)	137,952	192,167
Adjustments in respect of prior years	(5,024)	1,233
Overseas taxation	-	940
Double taxation relief	-	(940)
	132,928	193,400

At the year end the Group had potential deferred tax assets, which have not been recognised in the accounts, of £15,000 (2001 £17,000) in respect of deferred capital allowances.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2002(CONTINUED)

6 TAX ON PROFIT ON ORDINARY ACTIVITIES (CONTINUED)

The tax assessed for the period is lower than the standard rate of corporation tax in the UK of 30% (2001: 30%). The difference is explained as follows:

	2002	2001
	£	£
Profit on ordinary activities before tax	557,079	506,484
Profit on ordinary activities multiplied by the standard rate of corporation in the UK of 30% (2001: 30%)	167,124	151,945
Adjusted by the effects of:		
Expenses not deductible for tax purposes	9,963	6,242
Capital allowances for the period in excess of depreciation	(5,105)	508
Other timing differences	(31,532)	31,532
Higher/(lower) tax rates on overseas earnings	640	(2,111)
Lower tax rates on UK subsidiary undertakings	(3,284)	(5,138)
Excess of taxable gain over profit on sale of investments	-	6,387
Adjustments in respect of prior periods	(5,024)	1,233
Other	146	2,802
Current tax charge for period	132,928	193,400

7 DIVIDENDS

During the year an interim dividend of £256,362 was paid and a final dividend proposed of £258,535 (2001 £nil).

8 GROUP TANGIBLE FIXED ASSETS

	Leasehold premises	Computer equipment	Fixtures and fittings	Total
	£	£	£	£
Cost				
At 1 April 2001	46,413	196,609	232,211	475,233
Additions	-	22,728	7,923	30,651
Disposals	-	(11,134)	(3,598)	(14,732)
At 31 March 2002	46,413	208,203	236,536	491,152
Depreciation				
At 1 April 2001	46,413	174,750	188,678	409,841
Charge for the year	-	21,518	21,762	43,280
Disposals	-	(11,134)	(3,598)	(14,732)
At 31 March 2002	46,413	185,134	206,842	438,389
Net book amounts				
At 31 March 2002	-	23,069	29,694	52,763
At 31 March 2001	-	21,859	43,533	65,392

Note The amount shown for leasehold premises represents the premium cost of acquiring the leasehold on the premises at 32 Peascod Street, Windsor, Berkshire.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2002 (CONTINUED)

9 INVESTMENTS

Group

	Other participating interests
	£
Balance at 1 April 2001	10,549
Disposals	(10,471)
Exchange difference	(78)
Balance at 31 March 2002	-

Other participating interests included investments in the founder shares of Thames Currency Fund Limited which are incorporated in Bermuda. Thames Currency Fund Limited ceased trading and was wound up during 2001.

Company

	2002	2001
Investment in subsidiaries	£	£
Record Treasury Management Limited	10,000	10,000
Record Treasury Management (US) Limited	100	100
Record Portfolio Management Limited	10,000	10,000
Record Group Services Limited	310,000	310,000
Less investment in Record Group Services Ltd written off	(310,000)	(310,000)
Record Fund Management Limited	360	360
Record Fund Management (Bermuda) Limited	17,813	17,813
N P Record Trustees Limited	1	1
	38,274	38,274

Particulars of subsidiary undertakings

Name	Nature of business
Record Currency Management Limited	Currency overlay/fund management and consultancy
Record Group Services Limited	Management services to other Group undertakings
Record Treasury Management (US) Limited	Marketing service in the United States for Record Currency Management Limited
Record Fund Management Limited	No transactions during the year
Record Portfolio Management Limited	Provider of investment advice
Record Fund Management (Bermuda) Limited	Manager to Thames Currency Fund Limited
N P Record Trustees Limited	Trust company

* The Group's interest in the equity capital of subsidiary undertakings is 100% of the ordinary share capital in all cases.

** All of the above are incorporated in Great Britain other than Record Fund Management (Bermuda) Limited which is incorporated in Bermuda.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2002 (CONTINUED)

9 INVESTMENTS (CONTINUED)

Reconciliation of movements on investments during the year

	2002	2001
	£	£
Balance at 1 April 2001	38,274	412,295
Sale of investment	-	(380,268)
Increase in market value of trade investment	-	6,247
Balance at 31 March 2002	38,274	38,274

FRS 3 requires that the profit/loss on disposal of an investment should be calculated as the difference between the net sale proceeds and the net carrying amount. Revaluations are adjusted directly through the profit and loss reserve and not shown on the face of the profit and loss statement. During the year to 31 March 2001 the Company disposed of its investments in Thames Currency Fund Limited and Integrity Treasury Solutions plc and these disposals were dealt with in the financial statements according to the requirements of FRS3.

10 DEBTORS

	Group		Company	
	2002	2001	2002	2001
	£	£	£	£
Trade debtors	895,595	923,025	-	-
Other debtors	3,542	41,043	-	-
Prepayments and accrued income	148,828	159,164	1,241	675
Dividends receivable	-	-	300,000	-
	1,047,965	1,123,232	301,241	675

11 CREDITORS

Amounts falling due within one year

	Group		Company	
	2002	2001	2002	2001
	£	£	£	£
Trade creditors	162,131	122,792	-	1
Amounts owed to subsidiary undertaking	-	-	201	100
Corporation tax	96,252	192,167	5,794	17,000
Other tax and social security	143,603	103,688	-	-
Accruals and deferred income	224,262	333,358	-	-
Dividend proposed	258,535	-	258,535	-
	884,783	752,005	264,530	17,101

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2002 (CONTINUED)

12 CALLED UP SHARE CAPITAL

	2002	2001
	£	£
Authorised		
900,000 (2001: 1,000,000) ordinary shares of 10p each	90,000	100,000
100,000 (2001: nil) 'A' ordinary shares of 10p each	10,000	-
	100,000	100,000
Allotted and Fully Paid		
517,069 (2001: 529,633) ordinary shares of 10p each	51,707	52,963
23,508 (2001: nil) 'A' ordinary shares of 10p each	2,351	-
	54,058	52,963

At the Annual General Meeting in July 2001 a special resolution was passed to split the authorised share capital of £100,000 into 900,000 Ordinary 10 pence shares and 100,000 'A' Ordinary 10 pence shares. The two classes of share rank pari passu in all respects other than that the holder of the 'A' Ordinary shares will be subject to a mandatory transfer upon the termination of their service contract or employment.

During the year two employees exercised approved share options totally 10,945 ordinary 10 pence shares increasing the combined shares in circulation to 540,577 (2001: 529,632).

Share Options	**Over new shares**			**Total over new Shares**
	Ordinary		**'A' Ordinary**	
	Approved	Unapproved	MSP EMI	
Options outstanding as at 1 April 2001	32,902	13,777	-	46,679
Issued	-	-	13,777	13,777
Lapsed or cancelled	-	(13,777)	-	(13,777)
Exercised	(10,945)	-	-	(10,945)
Options outstanding as at 31 March 2002	21,957	-	13,777	35,734

In July 2001 13,777 unapproved share options were cancelled and the same number of Market Share Price (MSP) EMI options over 'A' Ordinary shares were issued. No further approved or unapproved options were granted during the year. During the year 10,945 approved options were exercised at £2.50 per share. At the year end there were 35,734 options outstanding over new shares with a weighted average exercise price of £5.14 per share and representing 6.6% of the issued share capital.

In addition to the options over new shares, the 23,508 unapproved options over issued shares held in the Employee Share Option Trust (ESOT) were cancelled during the year and new options issued under a Discounted Share Price (DSP) EMI Scheme. At the year-end 23,358 DSP EMI options were outstanding, exercisable in July 2004 for £1 per option.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2002 (CONTINUED)

13 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

Group					2002	2001
	Called up share capital	Share premium account	Capital redemption reserve	Profit and loss account	Shareholders' funds	Shareholders' funds
	£	£	£	£	£	£
Opening	52,963	291,087	43,233	1,529,983	1,917,266	2,103,219
Retained profit for the year	-	-	-	(90,746)	(90,746)	313,084
Revaluation of trade investments	-	-	-	-	-	6,247
Exchange	-	-	-	(143)	(143)	6,302
Buy in of shares	-	-	-	-	-	(535,086)
Issue of shares	1,095	26,268	-	-	27,363	23,500
Net addition to / (reduction in) shareholders' funds	1,095	26,268	-	(90,889)	(63,526)	(185,953)
Closing	54,058	317,355	43,233	1,439,094	1,853,740	1,917,266

Company					2002	2001
	Called up share capital	Share premium account	Capital redemption reserve	Profit and loss account	Shareholders' funds	Shareholders' funds
	£	£		£	£	£
Opening	52,963	291,087	43,233	331,305	718,588	1,091,914
Retained profit for the year	-	-	-	(179,205)	(179,205)	132,013
Revaluation of trade investments	-	-	-	-	-	6,247
Buy in of shares	-	-	-	-	-	(535,086)
Issue of shares	1,095	26,268	-	-	27,363	23,500
Net addition to / (reduction in) shareholders' funds	1,095	26,268	-	(179,205)	(151,842)	(373,326)
Closing	54,058	317,355	43,233	152,100	566,746	718,588

The Company has taken advantage of s.230(1)(b) of the Companies Act 1985 and a separate profit and loss account for the Company itself is not therefore presented. The amount of the consolidated profit for the year attributable to shareholders' includes a loss of £179,205 (2001: profit £132,013) which is dealt with in the accounts of the holding company.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2002 (CONTINUED)

14 PENSIONS (DEFINED CONTRIBUTION SCHEME)

The Group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £107,002 (2001:£104,762).

15 CONTINGENT LIABILITIES

(i) The Company, together with its subsidiary undertakings, has given a cross guarantee in respect of certain indebtedness of the Group. The amount of such indebtedness at 31 March 2002 was £nil (2001: £nil).

(ii) At 31 March 2002, a subsidiary undertaking had outstanding contracts with a principal value of £1.4 million (2001: £1.5 million) for the sale and purchase of foreign currencies in the normal course of business.

(iii) The Company has confirmed that it will make additional amounts available to Record Group Services Limited, by way of a loan if this is necessary.

16 OPERATING LEASE COMMITMENTS

The Group has a commitment of £86,000 per annum (2001: £86,000) in respect of the lease on the premises at 32 Peascod Street, Windsor, Berkshire which expires in more than 5 years.

17 ULTIMATE CONTROLLING PARTIES

As at 31 March 2002 the company had no ultimate controlling parties (2001: nil).