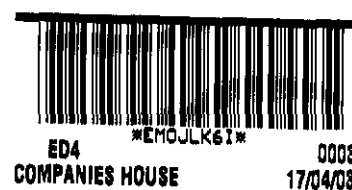


HEMSCOTT PLC

ANNUAL REPORT 2002



Registered number: 27883 (England & Wales)

**Hemscott is a leading supplier of high
quality business and financial information
and the number one provider of corporate
investor relations websites in the UK**

Contents

Chairman's Statement	1	Statement of Directors' Responsibilities	23
Revenue Generating Areas	2	Independent Auditor's Report	24
Chief Executive Officer's Review	4	Consolidated Profit & Loss Account	25
Products & Services	9	Consolidated Balance Sheet	26
Financial Review	12	Company Balance Sheet	27
Directors	14	Consolidated Cash Flow Statement	28
Directors' Report	16	Notes to the Accounts	29
Corporate Governance	18	Notice of Annual General Meeting	38
Directors' Remuneration Report	20	Three Year Summary	40
		Registered Office and Advisers	41

Chairman's Statement

With management's focus on continuing to maximise revenues and reduce costs, Hemscott looks to the future with growing confidence

I am delighted to be reporting Hemscott's full year results for 2002.

In Business Information, Hemscott has maintained its dependable, recurring annual revenues. Strong growth has been achieved in both the sale of high quality data on European quoted companies and in the provision of a growing range of corporate investor relations solutions.

2002 has been a watershed year in the Business Information marketplace. There has been a growing acceptance by users of financial data that this kind of valuable information is not a commodity to be given away for free. As a result, Hemscott has successfully launched its subscription website, Hemscott Premium, revenues from which have exceeded expectations.

The Media side of the business has again felt the advertising squeeze that began in the final quarter of 2001. However, there are signs that the market is stabilising and Hemscott's attractive userbase of high net worth individuals should ensure that the company is an early beneficiary of any upturn in marketing budgets. Previous antipathy to the online advertising proposition is beginning to evaporate as we sell the benefits of reaching our valuable user base.

We will continue to drive revenues from all areas of our business by selling new and enhanced products to a wider range of blue chip customers, while rigorously controlling costs.

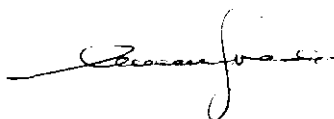
Hemscott has proved that even in the most difficult operating climate, it can continue to grow. The group's unique ownership of fundamental data and the market's willingness to pay for Hemscott's high quality, value added services has driven Business Information revenues at a pace that has more than offset a challenging advertising market. With management's focus on continuing to maximise revenues and reduce costs, Hemscott looks to the future with growing confidence.

2003 has begun with the acquisition of Directory of Directors. It confirms that Hemscott is emerging from a long and testing economic downturn with its weight firmly on the front foot.

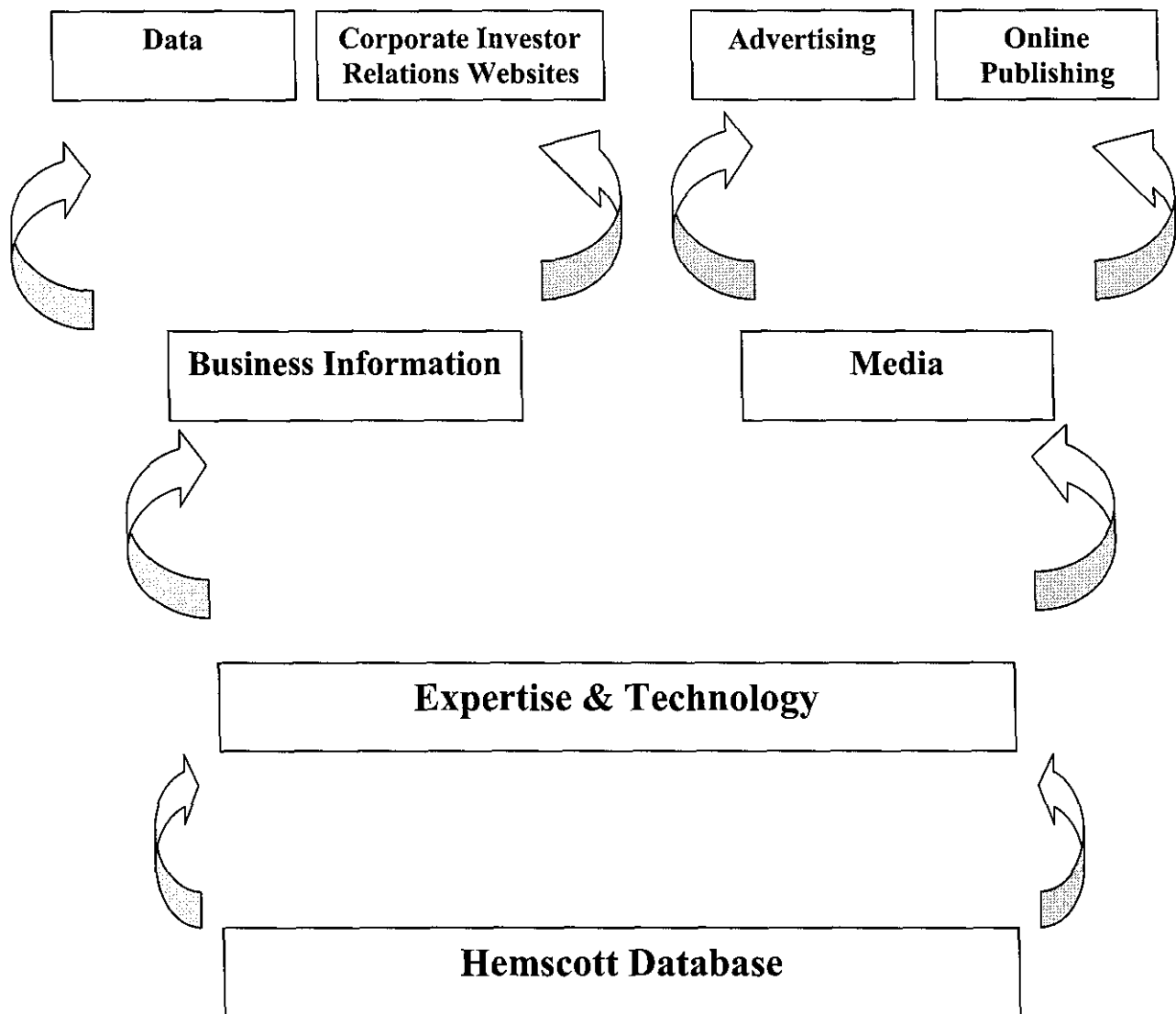
Michael Grade

Chairman

14 February 2003



Revenue Generating Areas



The Hemscott Database

Hemscott owns and manages a comprehensive proprietary database of company information, which has been built and developed over 17 years, is updated continuously and which includes data from as far back as 1983. At the core of the database is Hemscott's uniquely detailed and complete coverage of the financial activities and directors of UK and Irish listed companies. This coverage has been expanded and enhanced through additional in-house data collection, supply arrangements with key partners and acquisition, including the addition of European and unquoted company data and, in January 2003, the addition of the Directory of Directors database.

Expertise and Technology

Hemscott offers a wide variety of services developed from its database. This is enabled by a robust technological infrastructure, coupled with a staffing resource of highly skilled experts in data and website development, maintenance and enhancement. Technical development and support is managed in-house, enabling the company to be highly responsive to market conditions. New or improved services are always delivered in the quickest of timeframes and to the highest quality standards, thus maximising revenue-generating opportunities in both the business information and media divisions.

Business Information

Providing information and tools to business, Hemscott's innovative approach delivers bespoke and off-the-shelf solutions to a wide range of corporate and institutional users. Hemscott's data services encompass delivery and hosting of bespoke selections from the Hemscott database and Hemscott's business software products, including the Company Guru range of tools and Hemscott Premium, the new subscription based online investment research centre. Hemscott Corporate Investor Relations Website solutions provide complete tailored information and tools to listed companies to ensure the most effective communications with their investors.

Media

Hemscott media services focus on the leading financial website – www.hemscott.com. Visited by up to 300,000 registered high net worth users each month, the advertising opportunities it presents makes the Hemscott website a prime medium for media buyers seeking to reach this valuable audience. Online publishing services provided by Hemscott offer City commentary and share recommendations through subscription e-mail newsletters to the community of private and corporate investors who use the Hemscott website.

Chief Executive Officer's Review

We have taken significant steps forward, both financially and operationally, and we look forward to the future with considerable optimism

2002 was another year of real progress for your company. We have taken significant steps forward, both financially and operationally, and we look forward to the future with considerable optimism.

Losses have been reduced by 38%, in large part due to our continuing attention to cost containment. Turnover for the year has increased 1.8% to £5.2m as growth in Business Information revenue more than offset the inevitable fall in advertising income.

The company ended the year with a strong cash balance of £7.2m compared with £9.4m at the end of 2001 and £8.2m at the end of June 2002.

Despite the well-publicised downturn in financial markets, demand for reliable financial information is buoyant and we continue to build our secure base of high quality, recurring revenue streams.

Our key competitive advantage remains our ownership and control of a proprietary database which, since the recent acquisition of the Directory of Directors, now includes over 13,000 private and publicly-quoted companies and 60,000 directors and officers.

We will continue to leverage this advantage by introducing new and enhanced tools and solutions for a wide range of blue chip customers.

The group has the following revenue streams:

Business Information

- *Data Sales* - The provision of financial and business information.
- *Corporate Investor Relations Websites* - The provision of financial information and related services for corporate investor relations websites and intranets.

Media

- *Advertising*
- *Online Publishing*

TD Waterhouse is one of the world's largest discount brokers, with over US \$130 billion of customers' assets under its management. In the UK, TD Waterhouse provides simple, secure and cost effective share dealing services, combined with high quality timely information, to over 600,000 customers.

Hemscott provides TD Waterhouse with hosted web pages which are seamlessly integrated into the TD Waterhouse website as part of its online trading service. Hemscott delivers a broad range of specific company information and fundamental data through these pages, providing a valuable resource for effective company research and analysis to TD Waterhouse customers.

Angus Rigby, Senior Vice President of TD Waterhouse says

"We are committed to providing high quality research tools to help our customers make informed choices of their own. The service we have developed with Hemscott delivers comprehensive and reliable information for all levels of investors, helping to improve their investment decision-making."

Business Information

Business Information, which comprises Data Sales and the provision of Corporate Investor Relations Websites, has now reported five consecutive half year periods of double digit revenue growth and the outlook for this division is most encouraging.

Turnover in Business Information grew 31% to £4.0m, a very strong performance after a 31% improvement in 2001. Business Information now accounts for 77% of total turnover.

Data Sales

2002 was another good year for sales of Hemscott data. Increasingly, we are becoming a provider of information solutions, integrating our data with the suite of customised and bespoke tools we have developed over the past three years. We are delighted that in many cases our database has become a key factor in the ability of our customers to service the information needs of their customers.

The quality of our data and the flexibility of our solutions are confirmed by the success a strengthened sales force has enjoyed in penetrating a demanding professional market. Hemscott's customer base includes such blue chip names as the Financial Times Group, Barclays Stockbrokers and TD Waterhouse. Our data was used by the Government in the preparation of the Higgs report on the role and effectiveness of non-executive directors, which was published in January 2003.

We have made considerable progress in building information centres for our clients, providing a fully outsourced solution that includes the creation, hosting and maintenance of sophisticated websites.

2002 was a watershed year in terms of monetising our database. With the launch of Hemscott Premium, an enhanced subscription website, we have taken another major step towards generating meaningful non-advertising revenue from our retail online activities.

During the year under review we continued to make major enhancements to our powerful online research tool, Hemscott Company Guru, which now includes extensive information on over 200,000 private companies and a searchable archive of news sources from around Europe. Guru is now used by professionals in a wide range of sectors, including both financial and non-financial areas such as recruitment.

Since the year end, Hemscott has purchased the Directory of Directors from Reed Business Information Limited, a subsidiary of Reed Elsevier Group plc. The Directory of Directors, which has been published for 135 years, is a respected hard copy publication listing details of over 12,500 private and public companies and 38,000 directors. The integration of Directory of Directors with Hemscott's existing database makes your company the leading supplier of director biographies in the UK. The acquisition, for a total consideration of £343,000 paid from existing cash resources, is expected to be earnings enhancing in 2003.

Chief Executive Officer's Review

Continued

Hemscott provides McCarthy & Stone with a complete on-line solution - including design, hosting and maintenance of the company's entire website.

McCarthy & Stone is Europe's largest retirement property builder, listed on the FTSE Mid 250. Hemscott worked closely with McCarthy & Stone, re-designing the corporate website and incorporating added functionality - including remote accessibility, diagnostics and marketing support. Hemscott also guided McCarthy & Stone on best practice for their Investor Relations web pages and provides full data feeds along with website hosting and maintenance.

Since the re-design, McCarthy & Stone has increased its online exposure and recorded significant increases in new visitors to its site. E-mail alerts and promotion on the Hemscott portal further maximise communications to an investor audience.

James Poxon,

Executive Marketing & Communications
Director at McCarthy & Stone explains:

"We found that Hemscott offered an effective total solution in terms of creative work, data and tools plus technical support. Hemscott are experienced providers and we now benefit from having one point of contact to deal with all aspects of our website."

Corporate Investor Relations Websites

2002 was an exciting year for our Investor Relations business. We continue to lead the market with over 300 clients, including 35% of the FTSE100. Clients include GlaxoSmithKline, Hays, Daily Mail & General Trust, George Wimpey and The Carphone Warehouse Group.

During the year we made some significant enhancements to our Investor Relations offering. We now provide a fully outsourced service that includes design, copywriting, hosting and maintenance in addition to the supply of software tools specifically designed for corporate investor relations websites.

We also offer a range of other bespoke services such as the creation of content management systems to allow our clients to maintain and update their own websites. A specialist consulting service helps our clients benchmark their websites against their peers and best practice. In addition, we provide webcasting services to a number of clients, including Daily Mail & General Trust and mmO2.

An example of the innovative thinking that has kept the company's Investor Relations business at the forefront of the sector is the development of interactive annual reports, which were launched during 2002. Compared with the traditional PDF format, interactive annual reports are significantly more accessible and flexible and they take this important communication with shareholders to a new level.

Media

Media, which includes revenues from advertising on our website, Hemscott.com, and Online Publishing, had a difficult year due to the challenging market conditions across all advertising. The rate of decline slowed during the year but overall there was a 42% reduction in revenue from £2.0m to £1.2m. In the second half of 2002, Media accounted for 21% of group revenues compared with 32% in the second half of 2001. The website won two prestigious awards in 2002 from Investors Chronicle magazine: Best Research and Information Provider (for a second consecutive year) and Best Website.

Advertising

Despite the downturn in stock markets during 2002, traffic to our website was maintained. This reflected the high quality of the information available on the website and the relative sophistication and resilience of our userbase.

The quality of our website and its userbase of over 300,000 sets Hemscott apart from its peers and continues to make us an attractive proposition for advertisers.

Hemscott Analyst

Hemscott Analyst recommendations have significantly outperformed the FTSE All Share Index

Online Publishing

Hemscott Analyst, our share recommendation service, maintained a loyal userbase, securing a high level of customer retention despite a third consecutive year of negative stock market returns. Its recommendations have significantly outperformed the FTSE All Share Index since its launch in November 2000.

Chart Insight, an interactive technical analysis service, increased its subscriber numbers during 2002 as more private investors turned to charting, rather than rely on fundamental analysis, in an effort to profit from last year's volatile trading conditions.

Current Trading

We start 2003 with a high level of renewals and contracted revenues. The current year has begun well for Business Information. We have already secured a major contract with TD Waterhouse to provide a fully outsourced information centre for its online customers. We have also renegotiated our data supply agreement with HS Financial Publishing, part of Charterhouse Communications plc, and secured a substantial three year agreement. In Media, advertising appears to have stabilised and we are well placed to be an early beneficiary of any upturn in spending in this area.

Future

During 2002, a number of leading providers of financial and business information began charging for content that had previously been available free. This was an important development for your company, providing the competitive backdrop for the launch of Hemscott Premium, our enhanced subscription website, another new source of revenue.

Premium has exceeded our expectations since its launch in July 2002 and has demonstrated the true value of the Hemscott brand and its data.

In Corporate Investor Relations Websites, we continue to be the leading player in the UK market. We anticipate demand will continue, driven by the desire of public companies to comply with best practice and to keep their shareholders better informed. We will continue to enhance the services we offer to existing clients and to grow the number of our customers.

Chief Executive Officer's Review

Continued

"Hemscott is by far the most user friendly website for corporate research I have used. It provides sound, comprehensive data in an easy to view format.

I would recommend Hemscott to anyone who wants quality research and analysis on UK listed companies for all the fundamental data in one website."

Mr U Anwar, Private Investor, Middlesex

Advertising revenue has stabilised on our award winning website and we anticipate that this income stream will be an early beneficiary of any improvement in economic conditions. With more than 300,000 registered users, Hemscott.com is a powerful platform from which to generate advertising revenues and to launch further subscription services.

Summary

Overall, we look to the future with considerable optimism.

Rosalyn Wilton
2

Rosalyn Wilton

Chief Executive Officer

14 February 2003

Products & Services

Business Information

Company fundamentals and director information on the UK sector and leading European companies

Bespoke Data Services

The Hemscott proprietary listed company database comprises up to 20 years of detailed company fundamentals, share price information, director details, shareholdings and dealings, essential broker research and news, commentary and analysis. Added to this, Hemscott offers expert tools to make the most of this information. Business clients tap into this prestigious resource, selecting services to meet their precise needs. Clients also receive full technical support, integrating and hosting data as required.

Examples of solutions offered include the supply of selected data and web pages to online stockbrokers, provision of competitor information for intranets and delivery of company fundamentals for trading screen systems. Hemscott customers choose solutions which deliver customised selections of information, tools and expert support to integrate this into client products and services.

Hemscott Company Guru

Hemscott Company Guru is the powerful, continuously updated online company research tool for business professionals.

Company Guru offers in-depth and extensive search capabilities and the ability to select from a range of information modules, including private as well as quoted company information, thus providing clients with flexible solutions to meet their business needs.

2002 saw the launch of Guru Corporate Alerts, offering user-controlled e-mail alerts of regulatory news, notable trades and share price changes. The second addition to the service in 2002 was Guru Broker Estimates, delivering detailed and consensus forecasts plus e-mail alerts from a panel of leading brokers. In late 2002, Guru News was added to the Company Guru service. This module provides fully searchable, focused company news from leading UK national and regional newspapers, trade publications and the European press.

This continuing innovation has ensured that Hemscott Company Guru is now established as an invaluable knowledge management tool relied upon by business professionals in a variety of sectors.

Products & Services

Business Information

Number One provider of corporate investor relations websites in the UK

Hemscott Premium

July 2002 saw the successful launch of Hemscott Premium, the new subscription website service providing a comprehensive online investment research resource for private and corporate investors.

Priced from £2 per day to £129 for an annual subscription, users benefit from key features such as a unique stock selector, share price download facilities, share price calculators and among the most extensive company fundamental data available anywhere on the web. Subscribers are attracted by the comprehensive coverage of the service and the intuitive and easy-to-use navigation around this new website.

Corporate Investor Relations Websites

Hemscott remains the clear market leader in the online investor relations (IR) solutions market, with over 300 clients, including 35% of the FTSE 100.

Hemscott IR solutions range from managing all aspects of a company's online presence, to tailored investor relations components for websites and intranets and 'push services' to attract investors.

Hemscott enables this flexibility through providing the highest quality data, in-house design and technology and the driving of traffic to client sites from the leading financial website www.hemscott.com. With these sturdy components to offer, the services Hemscott delivers in this sector are second to none.

Products & Services

Media

Hemscott.com voted 'Best Website' and 'Best Research & Information Provider' in the Investors Chronicle Awards 2002

Advertising

Hemscott operates a leading financial website – www.hemscott.com, providing information for professional investors, business executives and private investors. The site attracts up to 300,000 unique users each month.

The standing of the Hemscott website in the investment community was demonstrated by its winning two prestigious awards in 2002. Hemscott was voted 'Best Website' and 'Best Research and Information Provider' in the Investors Chronicle Awards, 2002.

Users are high net worth individuals and blue chip companies advertise on the Hemscott website to reach this lucrative audience. These advertisers include financial institutions, brokers and corporate advisers as well as a number of non-financial firms, such as telecommunications companies and car manufacturers. In addition, professional advisers place advertisements and enhanced entries in the Corporate Advisers area of the hemscott.com service.

Online Publishing

The Hemscott subscription newsletters are provided by e-mail and continue to serve a loyal customer base with share recommendations and analysis up to three times a week.

The flagship service, Hemscott Analyst delivers fundamental and technical analysis and share recommendations. For chartists, there is the interactive technical analysis provided by Hemscott Chart Insight, where subscribers can request analysis on the share of their choice, and Hemscott IPO Eye brings readers the inside track on the new issues market.

For each of the three newsletters, subscribers have the choice of an annual subscription at £99 or can select to pay monthly at £10 per month. All the Hemscott newsletters are provided in the timeliest manner by e-mail and have dedicated microsites for subscribers within the Hemscott.com service.

Financial Review

The group ended the year
in a strong financial position
with cash of £7.2m

Results

Turnover in the year ended 31 December 2002 of £5.2m increased by 1.8% over the previous year. Turnover from Business Information grew by 31% to £4.0m which was partially offset by a 42% fall in Media to £1.2m. In the first half of 2002, turnover was down 6% versus the same period in 2001. However in the second half of 2002, turnover was up 10% on the second half of 2001 reflecting a slowdown in the fall in Media.

In 2002, Business Information turnover accounted for 77% of total turnover

Gross profit margin for the year increased to 45.5% from 25.4% in 2001. In the second half of the year, the gross profit margin increased to 48.7%, up from 42.2% at the half year. The design of our technology platform enables additional sales to be delivered without material increases in costs.

In 2002, we continued our focus on cost control and total costs of £7.9m were £1.6m, or 17%, lower than in 2001. The main savings were achieved in technology. In 2002, all our new products and services were developed in-house by our highly skilled technology team. In 2001, we used outside development companies and contractors. Direct internal costs of £0.3m relating to the development of software that supports specific products has been capitalised in the year (2001: nil).

EBITDA loss reduced to £0.7m in the second half of 2002, down from £1.2m in the first half of the year. The EBITDA loss for the full year was £1.9m (2001: £3.6m). The operating loss for the year of £2.8m improved by 38% from £4.5m last year.

Business Information has now reported five consecutive half year periods of double digit turnover growth

Taxation

FRS 19 "Deferred Taxation" has been adopted during the year. This new accounting standard does not have any effect on the results and accordingly a prior year adjustment is not required. As a result of losses in the year, the group has no liability to UK taxation. There are approximately £12.9m of tax losses available to be utilised in future years, the benefit of these losses has not been recognised in these accounts.

Capital expenditure

Capital expenditure in the year of £0.4m comprised the purchase of computer hardware and direct internal costs of developing software that supports specific products.

Cash flow and financing

The net cash outflow from operating activities of £2.2m was £1.4m better than last year, a 40% improvement, principally due to reduced losses in the year. As a result, the group ended the year in a strong financial position with cash of £7.2m.

The group's cash is invested in short term deposits and current accounts with major banks and building societies. The treasury strategy is controlled through a treasury committee, comprising the Chief Executive Officer and Chief Financial Officer, and operates in accordance with documented policies and procedures approved by the board. No speculative use of financial instruments or derivatives is permitted.

Acquisition

On 2 January 2003, after the year end, the group completed the acquisition of the Directory of Directors. The consideration for the acquisition of the business and certain associated assets of £250,000 plus £93,000 for work in progress on the 2003 edition was paid in cash on completion out of existing cash resources.

Going concern

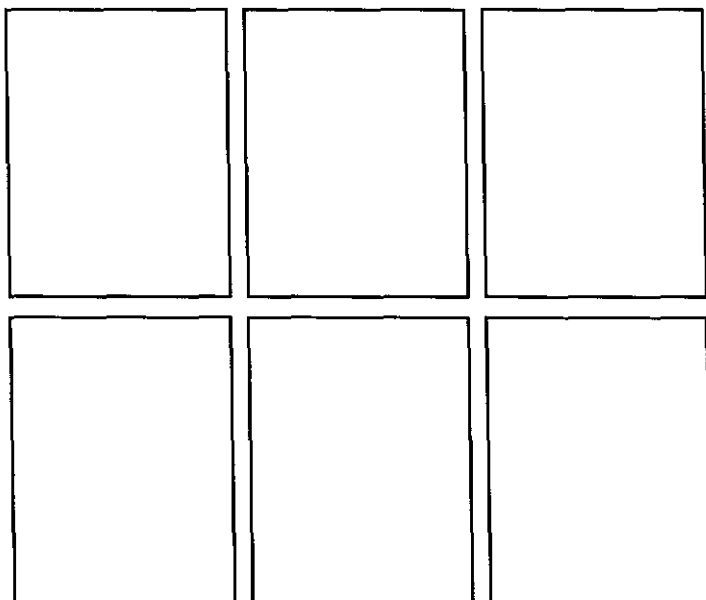
The directors consider, on the basis of current financial projections, that the group has adequate resources to continue operations for the foreseeable future and for this reason they continue to adopt the going concern basis in preparing the financial statements.

Natalie Newton.

Natalie Newton

Chief Financial Officer
14 February 2003

Directors



(top row l-r: Michael Grade, Rosalyn Wilton and Natalie Newton.

bottom row l-r: Stephen Roche, Charles Jillings and Winston Fletcher)

Michael Grade C.B.E. ♦■◆
Non-Executive Chairman

Chief Executive Channel Four Television Company Limited 1988-1997.
Chief Executive First Leisure Corporation PLC 1998-1999.
Executive Chairman of Pinewood and Shepperton Studios and
Chairman of Camelot Group PLC. A director of Charlton Athletic
Football Club. Age 59.

Rosalyn Wilton
Chief Executive Officer

Director of GNI 1983-1984, Managing Director Drexel Burnham
Lambert 1984-1990 and Non-Executive Director of LIFFE 1985-1990.
Managing Director of Reuters Transaction Services Limited 1992-1998
and a member of Reuters' Executive Committee 1997-1999. Short-listed
for Business Woman of the Year in 1996. Non-executive director of
Scottish Widows' Fund and Life Assurance Society 1997-2000. Age 51.

Natalie Newton
Chief Financial Officer

Qualified as a Chartered Accountant with Coopers & Lybrand
1990-1993. Variety of finance roles at DS Smith Plc, 1993-2000,
latterly as Group Accountant. Joined Hemscott as Financial
Controller in May 2000. Currently responsible for finance, legal
and data collection. Age 35.

Stephen Roche
Chief Technology Officer

Began in IT at Standard Telephones & Cables 1974, Computer
Manager for Systems and Strategy at British Gas 1978-1989, Manager
Business Systems Solutions, Legal & General 1990-1995. From 1995,
as a consultant, independently and within Knowledge Brokers and TC
Solutions, worked with major UK businesses including RAC, mmO2,
Marks & Spencer, Trafficmaster, Virgin and Norwich Union. Since
March 2000 at Hemscott. Currently responsible for technology,
product development and marketing. Age 51.

Charles Jillings ♦■◆
Non-Executive Director

Director of Hill Samuel Bank Limited in corporate finance 1994-1995.
Director of The Analysis and Research Company Limited which acts
as a consultant to Co-operation Retirement Benefit Fund (L) Limited
(the principal shareholder in Hemscott plc) and Kanawa Limited (a
major shareholder in Hemscott plc). In this capacity sits on the board
of a number of UK companies. Age 47.

Winston Fletcher ♦■◆
Non-Executive Director

Founded Fletcher Shelton Delaney Limited, a marketing and advertising
consultancy, in 1974. Chairman and chief executive of the UK group of
Ted Bates Inc. 1983-1985. Founded Delaney Fletcher Delaney Limited in
1985 which was sold to Bozell Jacobs Kenyon & Eckhart Inc. in 1989.
Chairman of BJ&E Holdings Limited 1997-2000. Age 65.

♦ Member of the Audit Committee

■ Member of the Remuneration Committee

◆ Member of the Nomination Committee

Directors' Report

The directors present their annual report and the audited financial statements for the year ended 31 December 2002.

Principal activities

The principal activities of the group are:

Business information

Data Sales - the provision of financial and business information; and

Corporate Investor Relations Websites - the provision of financial information and related services for corporate investor relations websites and intranets.

Media

Advertising and Online Publishing.

Review of business

The Chairman's Statement on page 1, the Chief Executive Officer's Review on pages 4 to 8 and the Financial Review on pages 12 to 13 report on the activities, performance and likely future developments of the group. The results for the year are set out in the Consolidated Profit and Loss Account on page 25 and the Consolidated Balance Sheet is set out on page 26.

Results and dividends

The audited accounts for the year ended 31 December 2002 are set out on pages 25 to 37. The group's loss for the year was £2,404,000 (2001 : £3,903,000). No interim dividend was paid (2001 : £nil) and the directors do not recommend the payment of a final dividend (2001 : £nil).

Directors

The directors who held office during the year were as follows:

Name	Position	Date of Appointment	Date of Resignation
Michael Grade	Non-Executive Chairman	15 August 2000	
Rosalyn Wilton	Chief Executive Officer	15 August 2000	
Natalie Newton	Chief Financial Officer	22 July 2002	
Stephen Roche	Chief Technology Officer	19 July 2001	
Winston Fletcher	Non-Executive Director	15 August 2000	
Charles Jillings	Non-Executive Director	28 July 1999	
Kevin O'Byrne	Chief Financial Officer	15 August 2000	22 July 2002
Christopher Stainforth	Non-Executive Director	12 October 1998	23 April 2002

Natalie Newton was appointed to the board on 22 July 2002. Kevin O'Byrne resigned from the board on 22 July 2002 and Christopher Stainforth resigned on 23 April 2002.

Details of directors' interests are provided in the Remuneration Report on pages 20 to 22.

Election of directors

The directors who are standing for election at the Annual General Meeting are Natalie Newton, it being the first Annual General Meeting after her appointment, together with Winston Fletcher and Rosalyn Wilton who, in accordance with the company's Articles of Association, retire by rotation.

Supplier payment policy

The group's policy is to pay suppliers within their normal terms of settlement. The average payment period for suppliers at 31 December 2002 was 57 days (2001 : 60 days).

Fixed assets

Movements in fixed assets are set out in notes 10, 11 and 12 to the financial statements.

Charitable and political donations

No charitable or political donations were made during the year (2001: nil).

Research & Development

The group constantly engages in the enhancement of existing and the development of new products and services.

Substantial shareholdings

As at 13 February 2003 the following substantial shareholdings have been notified to the company:

Name	Ordinary shares held	% held
Co-operation Retirement Benefit Fund (L) Limited ("CRBF")	10,216,714	31.79
Invesco Asset Management Limited	4,002,198	12.45
J Meiring	2,282,339	7.10
P N Scott	2,236,932	6.96
Intrinsic Value	1,800,000	5.60
Kanawa Limited	1,158,592	3.61

CRBF and Kanawa Limited are both controlled by the trustees of the same family trust and are advised by The Analysis and Research Company Limited ("ARC"), a company of which Charles Jillings is a director.

Employees

The group places considerable value on the involvement of its employees and keeps them informed on matters affecting them as employees and on the various factors affecting the performance of the group. This is achieved through formal and informal meetings.

The group operates an equal opportunities policy and is opposed to any form of less favourable treatment afforded on the grounds of, for example, disability, gender, race, sexual orientation or religion.

Auditors

During the year, Arthur Andersen resigned as the company's auditors following the agreement it reached with Deloitte & Touche under which partners and staff from Arthur Andersen joined Deloitte & Touche. The directors used their powers under the Companies Act 1985 to appoint Deloitte & Touche as the company's auditors to fill the vacancy created by Arthur Andersen's resignation. A resolution to re-appoint Deloitte & Touche and to authorise the directors to fix their remuneration will be proposed at the Annual General Meeting.

By order of the board

Nick Sarker

Secretary

14 February 2003

Corporate Governance

Hemscott is committed to high standards of corporate governance and, although not required to comply under the AIM rules, supports the Principles of Good Governance and the Code of Best Practice ("the Combined Code"). In this section of the report, therefore, Hemscott voluntarily sets out the extent to which the Combined Code has been applied.

The board

The board currently comprises three executive directors and three non-executive directors including the chairman. Natalie Newton was appointed as an executive director to the board on 22 July 2002. Her biography appears on page 15. Natalie Newton is standing for election at the Annual General Meeting.

All of the non-executive directors, with the exception of Charles Jillings, are independent and free from any business or other relationship that could materially interfere with the exercise of their independent judgement. Charles Jillings is a director of The Analysis and Research Company Limited which acts as a consultant to CRBF and Kanawa Limited, which both have substantial shareholdings in the company.

The company complies with section 1 of the Combined Code except, given the small size of the board and the strength and experience of the non-executive directors, the board does not believe that the appointment of a senior non-executive director is required in addition to the Chairman. The board holds eight meetings a year and arranges to meet at other times as appropriate. There is a formal schedule of matters specifically reserved to the board for decision and approval, and the board is supplied in a timely manner with the necessary information to discharge its duties, including being supplied with regular sales and management accounts information. The directors are aware that if necessary, in the furtherance of their duties, they may seek independent professional advice at the cost of the company, and all directors have access to the advice and services of the company secretary. All directors of the company are subject to retirement, nomination and re-appointment at least every three years. In addition to Natalie Newton standing for election at the Annual General Meeting, Winston Fletcher and Rosalyn Wilton will be retiring by rotation and will be standing for re-election at the Annual General Meeting.

Internal Control

The board is responsible for maintaining a sound system of internal control. The board's measures are designed to manage, not eliminate risk and such a system provides reasonable but not absolute assurance against material misstatement or loss. The board has considered the need for an internal audit function and considers that the requirement can be met through ongoing reviews undertaken by the board, the executive directors and the existing finance, legal and compliance functions within the company.

Some key features of the internal control system are:

- (i) Management accounts information, budgets, forecasts and business risk issues are regularly reviewed by the executive directors who meet every week.
- (ii) The company has operational, accounting and employment policies in place.
- (iii) There is a clearly defined organisational structure and well-established financial reporting and control systems.
- (iv) The company prepares comprehensive annual budgets and detailed monthly accounts with review of variances against both budget and prior years, which are reviewed by the board.
- (v) In January 2003 the board undertook a thorough review to identify, evaluate and manage significant risks facing the company. The measures in place to deal with business risks are reviewed regularly.

Board committees

The board of directors has established the following committees:

(i) Audit committee

This committee's members are Charles Jillings (Chairman), Winston Fletcher and Michael Grade.

All are non-executive directors. The audit committee is responsible for the co-ordination of the annual audit, monitoring the integrity of the financial statements of the company, and monitoring and reviewing the external auditor's independence, objectivity and effectiveness. The audit committee is also responsible for reviewing the requirement for an internal control function. The committee meets twice a year and reports to the full board.

(ii) Remuneration committee

This committee's members are Michael Grade (Chairman), Charles Jillings and Winston Fletcher.

All are non-executive directors. It meets as required and at least annually to consider all aspects of the remuneration of the executive directors of the company and its subsidiaries. The remuneration of the non-executive directors is considered by the board following recommendations by the executive directors. No director participates in setting his or her own remuneration. The Directors' Remuneration Report is set out at pages 20 to 22.

(iii) Nomination committee

This committee's members are Michael Grade (Chairman), Winston Fletcher and Charles Jillings.

All are non-executive directors. The nomination committee is responsible for making recommendations to the board on new board appointments.

The chairmen of the audit, remuneration and nomination committees are available to answer questions at the Annual General Meeting.

Communications and Relationship with shareholders

The board is accountable to shareholders for the performance and activities of the company. The company encourages two way communication with both its institutional and private investors.

Executive directors met with 22 analysts and institutional investors in 2002. All shareholders have at least twenty one clear days' notice of the Annual General Meeting at which the directors are introduced and are available for questions.

In addition, the company communicates with shareholders in a timely manner by way of interim and preliminary results, annual reports and accounts and the company's website.

Directors' Remuneration Report

The terms of reference and composition of the Remuneration Committee are set out on page 19.

The company's remuneration policy is designed to attract, retain and motivate high calibre individuals. In framing the package for any individual, full consideration is given to the Combined Code.

The emoluments of the directors for the year, charged to the consolidated profit and loss account on page 25, are shown below:

	2002 Salary/Fee/Benefits £'000	2001 Total £'000
Michael Grade	35	35
Rosalyn Wilton	200	200
Natalie Newton (2002: from 22 July 2002)	40	-
Stephen Roche (2001: from 19 July 2001)	150	68
Winston Fletcher	18	18
Charles Jillings	18	18
Kevin O'Byrne (2002: to 31 August 2002)	76	150
Christopher Stainforth (2002: to 31 August 2002)	20	30
	557	519

Kevin O'Byrne resigned as a director on 22 July 2002 but continued to be employed by the company until 31 August 2002. Christopher Stainforth resigned as a director on 23 April 2002 but continued to be paid by the company until 31 August 2002.

Rosalyn Wilton, Natalie Newton and Stephen Roche received private health insurance cover during the year and Kevin O'Byrne, until 30 August 2002.

Directors' interests

The interests of the directors and their immediate families in the ordinary shares of 5p each of the company, including options granted but not yet exercised under the Executive Share Option Scheme and by separate agreement were as shown in the following tables. There were no changes in the interests of the directors or their immediate families in the issued share capital of the Company between 1 January 2003 and 14 February 2003.

Shareholdings:

	At 31 December 2002	At 31 December 2001
Rosalyn Wilton	62,222	62,222
Stephen Roche	8,888	8,888
Charles Jillings*	30,274	30,274
Winston Fletcher	100,000	100,000

* The interests of Charles Jillings includes 15,137 shares held by the trustee of a trust in which Charles Jillings and his family are interested. He is a director of The Analysis & Research Company Limited which acts as a consultant to CRBF and Kanawa Limited. CRBF's shareholding is shown as 31.79% and Kanawa Limited's shareholding is shown as 3.61% in the substantial shareholdings disclosure on page 17. During 2002 Charles Jillings was appointed as an alternate director of Special Utilities Investment Trust which holds 266,000 ordinary shares in the company.

Options:

	At 1 Jan 2002 or subsequent date of appointment	Granted	Exercised/ Lapsed	At 31 Dec 2002	Exercise price (p)	Date at which first exercisable	Expiry date
Michael Grade	68,140	-	-	68,140	112.5	15/08/2001 ¹	21/03/2010
Rosalyn Wilton	60,000	-	-	60,000	50.0	15/08/2001	23/07/2011
	153,343	-	-	153,343	50.0	15/08/2001	17/06/2011
	853,371	-	-	853,371	50.0	28/02/2002 ²	17/06/2011
	1,574,612	-	-	1,574,612	82.5	15/08/2001 ³	17/06/2011
	97,344	-	-	97,344	112.5	15/08/2001 ³	17/06/2011
Natalie Newton	40,000	-	-	40,000	50.0	15/08/2001 ³	23/07/2011
	20,000	-	-	20,000	82.5	15/08/2001 ³	23/07/2011
Stephen Roche	52,566	-	-	52,566	50.0	15/08/2001	23/07/2011
	7,434	-	-	7,434	50.0	28/02/2002	23/07/2011
	45,132	-	-	45,132	50.0	28/02/2002	17/06/2011
	157,696	-	-	157,696	50.0	28/02/2003 ⁴	17/06/2011
	282,297	-	-	282,297	82.5	15/08/2001 ³	17/06/2011
	97,344	-	-	97,344	112.5	15/08/2001 ³	17/06/2011
Winston Fletcher	34,070	-	-	34,070	112.5	15/08/2001 ¹	31/05/2010

¹ Exercisable in three equal tranches on 15 August 2001, 15 August 2002 and 15 August 2003

² Exercisable in four equal tranches on 28 February 2002, 28 February 2003, 28 February 2004 and 28 February 2005

³ Exercisable in five equal tranches on 15 August 2001, 28 February 2002, 28 February 2003, 28 February 2004 and 28 February 2005

⁴ Exercisable in three equal tranches on 28 February 2003, 28 February 2004 and 28 February 2005

No options were granted, exercised or lapsed during the year.

The market price of the ordinary shares at 31 December 2002 was 19.5p and the range during the year was 15.5p to 29.5p.

Service agreements

The executive directors have service agreements that can be terminated by either party giving not less than six months' written notice, save that in the cases of Rosalyn Wilton and Stephen Roche and where the company is subject to a change of control, the company must give either director 12 months' notice of termination, and any payment in lieu of notice in such circumstances will be no less than the aggregate of all salary, bonuses and other benefits received by the relevant director in the 12 months prior to the notice of termination. This amendment to the service agreements of Rosalyn Wilton and Stephen Roche was agreed by the Remuneration Committee.

The company has entered into a letter of appointment with Michael Grade as non-executive chairman for an annual fee of £35,000 terminable by either party and with Winston Fletcher as a non-executive director for an annual fee of £18,000 terminable by either party.

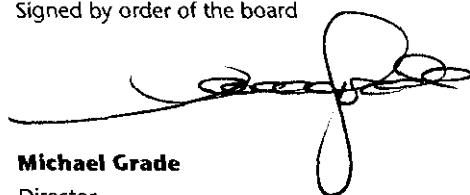
Directors' Remuneration Report

Continued

For the period that Christopher Stainforth was a director, the company had a consultancy agreement with Denfurlong (Consultants) Limited, a company of which Christopher Stainforth is a director, the principal terms of which were that Denfurlong (Consultants) Limited agreed to provide the services of Christopher Stainforth to act as a non-executive director of Hemscott plc and Hemscott plc paid Christopher Stainforth an annual fee of £30,000 for these services.

The company has entered into a letter of appointment with The Analysis and Research Company Limited ("ARC"), a company of which Charles Jillings is a director, the principal terms of which are that ARC agrees to provide the services of Charles Jillings as a non-executive director of Hemscott plc for an annual fee of £18,000 for an indefinite period terminable by notice by either party or if Charles Jillings ceases to be a director.

Signed by order of the board

A handwritten signature in black ink, appearing to read 'Michael Grade', with a large loop at the end.

Michael Grade
Director

14 February 2003

Statement of Directors' Responsibilities

Financial statements including adoption of going concern basis

United Kingdom 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 group and of the profit or loss of the group for that period.

After making enquiries, the directors have a reasonable expectation that the company and the group have adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

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

- *select suitable accounting policies and apply them consistently;*
- *make judgements and estimates that are reasonable and prudent and state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.*

Other matters

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and group and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for the system of internal control, for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent Auditors' Report

To the shareholders of Hemscott plc

We have audited the financial statements of Hemscott plc for the year ended 31 December 2002 which comprise the consolidated profit and loss account, the balance sheets, the consolidated cash flow statement and the related notes 1 to 24. These financial statements have been prepared under the accounting policies set out therein.

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 United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and 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 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 and other members of the group is not disclosed.

We read the directors' report and the other information contained in the annual report for the above year as described in the contents section and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

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 circumstances of the company and the group, 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 December 2002 and of the loss of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche
Deloitte & Touche

Chartered Accountants and Registered Auditors
London

14 February 2003

Consolidated Profit & Loss Account

For the year ended 31 December 2002

	Note	2002 £'000	2001 £'000
Turnover	2	5,157	5,066
Cost of sales		(2,809)	(3,781)
Gross profit		2,348	1,285
Operating expenses including goodwill amortisation	3	(5,115)	(5,749)
Operating loss		(2,767)	(4,464)
Interest receivable	4	363	561
Loss on ordinary activities before taxation	5	(2,404)	(3,903)
Taxation on ordinary activities	8	-	-
Retained loss for the financial year	19	(2,404)	(3,903)

	Note	2002	2001
Loss per ordinary share – basic & diluted	9	(7.5p)	(12.1p)
Loss per ordinary share – adjusted	9	(6.7p)	(11.4p)

The group's results are derived from continuing operations.

There are no recognised gains or losses other than those shown above for both the current and preceding year.

Consolidated Balance Sheet

At 31 December 2002

	Note	2002 £'000	2001 £'000
Fixed assets			
Goodwill	10	1,692	1,934
Tangible assets	11	1,232	1,412
		2,924	3,346
Current assets			
Debtors - amounts falling due within one year	13	976	871
Debtors - amounts falling due after more than one year	13	502	602
Cash at bank and in hand	14	7,242	9,356
		8,720	10,829
Creditors: amounts falling due within one year	15	(4,308)	(4,435)
Net current assets		4,412	6,394
Net assets		7,336	9,740
Capital and reserves			
Called-up share capital	17	1,607	1,607
Share premium account	19	9,606	9,606
Capital redemption reserve	19	186	186
Other reserve	19	(2,596)	(2,596)
Profit and loss account	19	(1,467)	937
Shareholders' funds - equity	19	7,336	9,740

Approved by the board on 14 February 2003 and signed on its behalf by:

Rosalyn Wilton - Chief Executive Officer

Natalie Newton - Chief Financial Officer

Rosalyn Wilton *Natalie Newton*

Company Balance Sheet

At 31 December 2002

	Note	2002 £'000	2001 £'000
Fixed Assets			
Investments	12	17,973	18,759
		17,973	18,759
Current assets			
Debtors - amounts falling due within one year	13	110	110
Debtors - amounts falling due after more than one year	13	-	100
Cash at bank	14	2,849	2,036
		2,959	2,246
Creditors: amounts falling due within one year	15	(471)	(479)
Net current assets		2,488	1,767
Total assets less current liabilities		20,461	20,526
Creditors: amounts falling due after more than one year	16	(7,746)	(7,746)
Net assets		12,715	12,780
Capital and reserves			
Called-up share capital	17	1,607	1,607
Share premium account	19	9,606	9,606
Capital redemption reserve	19	186	186
Other reserve	19	1,534	1,534
Profit and loss account	19	(218)	(153)
Shareholders' funds - equity	19	12,715	12,780

Approved by the board on 14 February 2003 and signed on its behalf by:

Rosalyn Wilton - Chief Executive Officer

Natalie Newton - Chief Financial Officer

Rosalyn Wilton
Natalie Newton

Consolidated Cash Flow Statement

For the year ended 31 December 2002

	Note	2002 £'000	2001 £'000
Net cash outflow from operating activities		(2,154)	(3,591)
Returns on investments and servicing of finance			
Interest received		369	566
Net cash inflow from returns on investments and servicing of finance		369	566
Capital expenditure and financial investment			
Payments to acquire tangible fixed assets		(429)	(524)
Net cash outflow from capital expenditure and financial investment		(429)	(524)
Acquisitions and disposals			
Disposal of investments held for resale	20a	100	600
Net cash inflow from acquisitions and disposals		100	600
Net cash outflow before management of liquid resources and financing		(2,114)	(2,949)
Management of liquid resources			
Reduction in short term cash deposits		3,852	3,165
Net cash inflow from management of liquid resources		3,852	3,165
Financing			
Cash costs of placing, open offer, retail offer and reverse acquisition		-	(197)
Net cash outflow from financing		-	(197)
Increase in cash		1,738	19

Reconciliation of operating loss to net cash outflow from operations

	Note	2002 £'000	2001 £'000
Operating loss		(2,767)	(4,464)
Goodwill amortisation		242	242
Depreciation		633	582
(Increase)/decrease in debtors		(111)	392
Decrease in creditors		(151)	(203)
Cash outflow on exceptional items	20b	-	(140)
Net cash outflow from operating activities		(2,154)	(3,591)

Reconciliation of net cash flow to movement in net funds

	Note	2002 £'000	2001 £'000
Increase in cash	21	1,738	19
Decrease in liquid resources	21	(3,852)	(3,165)
Movement in net funds	21	(2,114)	(3,146)
Opening net funds	21	9,356	12,502
Closing net funds	21	7,242	9,356

Notes to the Accounts

1. Principal accounting policies

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the principal group accounting policies adopted by the directors which have been applied consistently throughout the year, except for the change in policy relating to deferred taxation, and the preceding year is set out below.

Basis of accounting

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

Basis of consolidation

With effect from 15 August 2000, the company, then named Bridgend Group PLC, became the legal parent company of Hemscott Holdings Limited and its subsidiary undertakings in a share for share transaction. Due to the relative values of the companies, reverse acquisition accounting was adopted as the basis of consolidation. Bridgend Group PLC has been brought into the consolidation from 15 August 2000, the date of the reverse acquisition, at fair values at that date and the reserves of the group are based on the pre-combination reserves of the Hemscott Holdings Limited group.

Turnover

Turnover, the portion of invoicing that relates to the financial reporting period, represents amounts receivable from customers for goods and services provided in the normal course of business, net of VAT and other sales-related taxes. Sales under contracts covering future periods, which are invoiced quarterly or annually in advance, are deferred and credited to the profit and loss account over the period to which they relate.

Goodwill

Goodwill arising on the acquisition of subsidiary undertakings and businesses, representing any excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired, is capitalised and written off on a straight line basis over its useful economic life of ten years. Provision is made for any impairment. Goodwill arising on the reverse acquisition of Bridgend Group PLC was written off to the profit and loss account in the year ended 31 December 2000.

Tangible fixed assets

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost less estimated residual value of each asset evenly over its expected useful life, as follows:

- *Short leasehold properties - over the term of the lease*
- *Computer equipment and software - three years*
- *Fixtures and fittings - three years*

Investments

Fixed asset investments are shown at cost less provision for any impairment.

Notes to the Accounts

Continued

Taxation

UK corporation tax is provided at amounts expected to be paid or recovered using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

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 that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the group's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as 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 at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

There is no effect on either the current year's results or the previous year's results on the adoption of FRS 19 'Deferred taxation'.

Foreign currency

Transactions in foreign currency are recorded at the rate of exchange at the date of the transaction or, if hedged, at the forward contract rate. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange at that date. These translation differences are dealt with in the profit and loss account.

Leases

Rentals under operating leases are charged on a straight line basis over the lease term, even if the payments are not made on such a basis. Benefits received or receivable as an incentive to sign an operating lease are similarly spread on a straight line basis over the lease term, except where the period to the review date on which the rent is first expected to be adjusted to the prevailing market rate is shorter than the full lease term, in which case the shorter period is used.

Website development costs

Design and content development costs are capitalised to the extent that they lead to the creation of an enduring asset, which delivers benefits at least as great as the amount capitalised. If there is insufficient evidence upon which to base reasonable estimates of the economic benefits that will be generated in the period until the design and content are next updated, the costs of developing the design and content are charged to the profit and loss account as incurred.

Software development costs

Development expenditure is written off as incurred, except where the directors are satisfied as to the technical, commercial and financial viability of individual projects. In such cases, the identifiable expenditure is capitalised as a tangible fixed asset and amortised over three years. Provision is made for any impairment.

2. Segment information

Turnover	2002 £'000	2001 £'000
Business Information	3,990	3,046
Media	1,167	2,020
	5,157	5,066

Business information includes turnover from Data Sales and Corporate Investor Relations Websites.

Media includes turnover from Advertising and Online Publishing.

In the opinion of the directors it is not practicable to determine the operating loss and net assets by business class principally because of the significant amount of costs shared across all areas of the business.

Geographical analysis

All net assets are owned by, and the turnover and operating losses are made by, companies located in the United Kingdom. No significant overseas sales are made.

3. Operating expenses

	2002 £'000	2001 £'000
Selling and marketing costs	2,289	2,044
Administrative expenses	2,826	3,705
	5,115	5,749

Administrative expenses include goodwill amortisation of £242,000 (2001: £242,000).

4. Interest receivable

	2002 £'000	2001 £'000
Bank interest receivable	321	549
Other interest receivable	42	12
	363	561

5. Loss on ordinary activities before taxation

Loss on ordinary activities before taxation is stated after charging:	2002 £'000	2001 £'000
Depreciation on owned assets	633	582
Amortisation of goodwill	242	242
Research and development	122	667
Hire of plant and machinery	14	14
Other operating lease rentals	467	467
Fees paid to auditors	34	38
– audit fees		
– non audit fees	-	9

Audit fees paid to auditors include £6,000 (2001: £8,000) relating to the audit of the Company.

Notes to the Accounts

Continued

6. Staff costs

The average number of persons (including directors) employed:	2002 number	2001 number
Sales and marketing	35	30
Content and editorial	28	29
Information technology	41	37
Administration	19	21
	123	117

Staff costs (including directors):	2002 £'000	2001 £'000
Wages and salaries	4,540	4,546
Social security costs	464	464
	5,004	5,010

7. Directors

Directors' emoluments included within staff costs:	2002 £'000	2001 £'000
Emoluments	557	519

Information in respect of directors' remuneration and share interests is contained within the directors' report on remuneration on pages 20 to 22.

8. Taxation

As a result of losses in the year, the group has no liability to UK taxation (2001: £nil). At 31 December 2002, the group had losses available for carry forward of approximately £12,890,000 (2001: £11,525,000). A deferred tax asset amounting to £3,867,000 (2001: £3,458,000) has not been recognised in the accounts.

9. Loss per share

The basic loss per share is calculated by dividing the losses attributable to ordinary shareholders by the weighted average number of ordinary shares in issue during the year.

Reconciliation of losses and weighted average number of shares used in the calculations are set out in the following table:

	2002 Losses £'000	2002 Weighted average no. shares (000)	2002 Loss per share (pence)	2001 Losses £'000	2001 Weighted average no. shares (000)	2001 Loss per share (pence)
Basic and diluted	2,404	32,136	7.5	3,903	32,136	12.1
Goodwill amortisation	(242)	-	(0.8)	(242)	-	(0.7)
Adjusted	2,162	32,136	6.7	3,661	32,136	11.4

The adjusted loss per share excludes the effect of goodwill amortisation to give a fairer presentation of trading performance.

10. Goodwill

	£'000
Cost	
At 1 January 2002 and 31 December 2002	2,418
Amortisation	
At 1 January 2002	484
Charge for year	242
At 31 December 2002	726
Net book value at 31 December 2002	1,692
Net book value at 31 December 2001	1,934

11. Tangible fixed assets

	Short leasehold property £'000	Computer equipment & software £'000	Fixtures & fittings £'000	Total £'000
Cost				
At 1 January 2002	745	1,589	194	2,528
Additions	-	453	-	453
At 31 December 2002	745	2,042	194	2,981
Depreciation				
At 1 January 2002	113	895	108	1,116
Charge for the year	74	503	56	633
At 31 December 2002	187	1,398	164	1,749
Net book value at 31 December 2002	558	644	30	1,232
Net book value at 31 December 2001	632	694	86	1,412

Additions to computer equipment and software includes identifiable direct wage costs incurred developing the software supporting certain products of £331,000 (2001: £nil).

12. Investments

Company fixed asset investments:

	Shares in group undertakings £'000	Loans to group undertakings £'000	Total £'000
Cost			
At 1 January 2002	19,178	22,757	41,935
Repayments	-	(786)	(786)
At 31 December 2002	19,178	21,971	41,149
Provisions for impairment			
At 1 January 2002 and 31 December 2002	(4,591)	(18,585)	(23,176)
Net book value at 31 December 2002	14,587	3,386	17,973
Net book value at 31 December 2001	14,587	4,172	18,759

Notes to the Accounts

Continued

12. Investments continued

The company's principal trading subsidiaries at 31 December 2002 were:

	Country of incorporation	Principal activity	Holding %
Hemscott Group Limited*	England and Wales	Sale of business information, provision of corporate investor relations websites and media services	100
Hemscott Investment Analysis Limited*	England and Wales	Regulated under the Financial Services and Markets Act 2000 to provide investment advice and related services	100

* indirectly held by Hemscott plc

13. Debtors

	2002 £'000	Group 2001 £'000	2002 £'000	Company 2001 £'000
Amounts falling due within one year				
Trade debtors	551	514	-	-
Other debtors	142	148	100	100
Prepayments and accrued income	283	209	10	10
	976	871	110	110

Amounts falling due after more than one year

Other debtors	502	602	-	100
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14. Financial Instruments

	2002 £'000	Group 2001 £'000	2002 £'000	Company 2001 £'000
Floating rate financial assets	7,242	9,356	2,849	2,036

Floating rate financial assets comprise sterling cash balances. There are no fixed rate financial assets.

There are no borrowings. Financial assets denominated in foreign currency are not material.

The group does not enter into derivative transactions and does not trade in financial instruments. As permitted, short term debtors and creditors arising as a result of normal operations have been excluded from these disclosures.

The fair value of the group's financial assets are equal to their book values.

15. Creditors: amounts falling due within one year

	Group		Company	
	2002 £'000	2001 £'000	2002 £'000	2001 £'000
Trade creditors	590	808	-	-
Other taxes and social security	295	320	-	-
Accruals and deferred income	3,423	3,307	471	479
	4,308	4,435	471	479

16. Creditors: amounts falling due after more than one year

	Group		Company	
	2002 £'000	2001 £'000	2002 £'000	2001 £'000
Amounts owed to subsidiaries	-	-	7,746	7,746

17. Called-up share capital

	2002 £'000	2001 £'000
Authorised		
49,637,410 Ordinary shares of 5p each (2001: 49,637,410)	2,482	2,482
Allotted, called up and fully paid		
32,136,419 Ordinary shares of 5p each (2001: 32,136,419)	1,607	1,607

18. Share options

Options have been granted under the Hemscott Executive share option Scheme and by separate agreements to subscribe for shares in the company. At 31 December 2002, the following options were outstanding:

	Number of ordinary shares	Option price	Date exercisable
Hemscott plc Executive Share Option Scheme	1,689,762	50.0p	Aug 2001 - Jul 2011
Hemscott plc Executive Share Option Scheme	10,200	65.0p	Sept 2001 - Jul 2011
Hemscott plc Executive Share Option Scheme	2,192,709	82.5p	Aug 2001 - Jul 2011
Hemscott plc Executive Share Option Scheme	254,688	112.5p	Aug 2001 - Jul 2011
Granted by agreements dated 12 July 2000	102,210	112.5p	Aug 2001 - May 2010
	4,249,569		

No options were granted or exercised during the year ended 31 December 2002.

Notes to the Accounts

Continued

19. Movement in shareholders' funds

	Called-up share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Other reserve £'000	Profit and loss account £'000	Total £'000
Group						
At 1 January 2002	1,607	9,606	186	(2,596)	937	9,740
Retained loss for the financial year	-	-	-	-	(2,404)	(2,404)
At 31 December 2002	1,607	9,606	186	(2,596)	(1,467)	7,336
Company						
At 1 January 2002	1,607	9,606	186	1,534	(153)	12,780
Retained loss for the financial year	-	-	-	-	(65)	(65)
At 31 December 2002	1,607	9,606	186	1,534	(218)	12,715

The group's other reserve of £(2,596,000) is made up of an amount arising on the reverse acquisition in 2000 of £(4,130,000) partly offset by a special reserve of £1,534,000 arising on a share capital reduction in 2001.

The company's other reserve of £1,534,000 is a special reserve arising on a share capital reduction in 2001.

No separate profit and loss account is prepared for the company as permitted by Section 230 of the Companies Act 1985. The company made a loss for the financial year of £65,000 (2001 : £11,998,000).

20. Notes to the cash flow statement

(a) The net cash inflow from acquisitions and disposals of £100,000 is deferred consideration received from the disposal of a subsidiary in April 2001, Kingavon Limited.

(b) The exceptional cash outflow of £140,000 in 2001 relates to compensation for loss of office paid to former directors of Bridgend Group PLC.

21. Reconciliation of movement in net funds

	At 1 January 2002 £'000	Cash flow £'000	At 31 December 2002 £'000
Cash at bank and in hand	321	1,738	2,059
Cash on short term deposit	9,035	(3,852)	5,183
Net funds	9,356	(2,114)	7,242

22. Financial commitments

Annual commitments under non-cancellable operating leases are as follows:

Group

	2002		2001	
	Land and buildings £'000	Other £'000	Land and buildings £'000	Other £'000
Expiry date				
Within one year	-	7	-	-
Between two and five years	-	-	-	14
After five years	502	-	502	-
	502	7	502	14

23. Contingent liabilities

Hemscott plc has guaranteed against the non payment of rent amounting to £19,248 per annum for a property leased by a subsidiary. This guarantee was made by Bridgend Group PLC prior to the reverse acquisition which occurred in August 2000.

Hemscott plc has warranted a claim for £750,000 received by a former subsidiary company. The directors have taken advice and have concluded that such a claim is most unlikely to succeed and therefore provision has not been made for this sum.

24. Post balance sheet event

On 2 January 2003, the group completed the acquisition of the Directory of Directors from Reed Business Information Limited, a subsidiary of Reed Elsevier Group plc. The Directory of Directors, which has been published for 135 years, is a hard copy publication listing details of the directors of both public and private companies in the UK. The acquisition included the trademark of the title and a database of over 12,500 companies and over 38,000 directors.

The consideration for the acquisition of the business and certain associated assets was £250,000 plus £93,000 for work in progress on the 2003 edition, paid in cash on completion.

Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of Hemscott plc will be held at the offices of KBC Peel Hunt Limited at 111 Old Broad Street, London EC2N 1PH on Tuesday, 15 April 2003 at 10.00a.m. to transact the following business:

Ordinary business

1. To receive the report of the directors, the accounts for the year ended 31 December 2002 and the report of the auditors there on.
2. To re-appoint Natalie Newton as a director of the company.
3. To re-appoint Winston Fletcher (who is retiring by rotation) as a director of the company.
4. To re-appoint Rosalyn Wilton (who is retiring by rotation) as a director of the company.
5. To re-appoint Deloitte & Touche as auditors of the company, having previously been appointed by the directors to fill the casual vacancy arising by reason of the resignation of Arthur Andersen, and to authorise the directors to fix the remuneration of the auditors.

By order of the board
Nick Sarker
Secretary
5 March 2003

Registered office:
Finsbury Tower
103-105 Bunhill Row
London EC1Y 8TY

Notes:

1. Any member entitled to attend and vote at the meeting is entitled to appoint one or more proxies (who need not be a member of the company) to attend and, on a poll, vote in his place. A form of proxy is enclosed for this purpose.

2. To be valid, the form of proxy duly signed, together with the power of attorney or other authority (if any) under which it is signed (or a notarially certified copy of such power or authority or a copy certified in accordance with the Powers of Attorney Act 1971 or in some other way approved by the directors of the company), must be deposited at the office of the company's registrars, Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TH not less than 48 hours before the time fixed for the meeting. Completion of a form of proxy will not preclude a member from attending and voting at the meeting if he wishes so to do.

3. In accordance with Regulation 34 of the Uncertificated Securities Regulations 1995, only those shareholders who are registered on the register of members of the company as at close of business on 13 April 2003 shall be entitled to attend and vote at the meeting in respect of the number of shares registered in their name at that time. Changes to entries on the register of members after that time shall be disregarded in determining the right of any person to attend and vote at the meeting.

Explanatory Notes

Resolution 1: Accounts

The directors must lay the company's accounts, the directors' report and the auditors' report before the members at a general meeting. This is a legal requirement once the directors have approved the accounts and the directors and auditors have prepared their report.

Resolution 2: Re-appointment of director

Article 81 of the company's Articles of Association states that a director appointed since the previous Annual General Meeting shall hold office only until the end of the next following Annual General Meeting unless he is re-appointed during that meeting. Natalie Newton was appointed by the board since the last Annual General Meeting. She therefore retires and, being eligible, offers herself for re-appointment. Biographical details are set out in the report and accounts.

Resolutions 3 and 4: Re-appointment of directors retiring by rotation

Articles 88 and 89 of the company's Articles of Association require that one-third of the directors subject to retirement by rotation shall retire from office. The directors to retire are those who have been longest in office since their last appointment or re-appointment. Accordingly, Winston Fletcher and Rosalyn Wilton shall retire and, being eligible, offer themselves for re-appointment. Biographical details are set out in the report and accounts.

Resolution 5: Re-appointment of auditors

Arthur Andersen resigned as auditors on 19 July 2002 and the directors appointed Deloitte & Touche in their place. Special notice of the resolution proposing the re-appointment of Deloitte & Touche has been received by the company in accordance with the Companies Act. Deloitte & Touche have said that they are willing to continue in office. Resolution 5 proposes the re-appointment of Deloitte & Touche and in accordance with normal practice, the directors should be authorised to agree the remuneration of the auditors.

Three Year Summary

For the year ended 31 December

	2002 £'000	2001 £'000	2000 £'000
Results			
Turnover	5,157	5,066	4,203
Operating loss before goodwill and exceptional items	(2,525)	(4,222)	(9,536)
Goodwill and exceptional items	(242)	(242)	(2,435)
Operating loss	(2,767)	(4,464)	(11,971)
Net interest receivable	363	561	280
Loss on ordinary activities before taxation	(2,404)	(3,903)	(11,691)
Taxation on ordinary activities	-	-	-
Retained loss	(2,404)	(3,903)	(11,691)
Loss per share *			
Basic loss per share	(7.5p)	(12.1p)	(66.3p)
Add back goodwill and exceptional items	0.8p	0.7p	13.8p
Adjusted loss per share	(6.7p)	(11.4p)	(52.5p)
Net assets			
Goodwill	1,692	1,934	2,176
Tangible fixed assets	1,232	1,412	1,881
Current assets	8,720	10,829	14,972
Creditors: amounts falling due within one year	(4,308)	(4,435)	(5,386)
	7,336	9,740	13,643
Capital & reserves			
Share capital and share premium	11,213	11,213	29,278
Other reserves	(3,877)	(1,473)	(15,635)
	7,336	9,740	13,643
Net funds			
Cash at bank and in hand	7,242	9,356	12,502

* the loss per share for the year ended 31 December 2000 has been restated to take account of the 1 for 50 share consolidation which took place on 30 April 2001.

Registered Office and Advisers

Registered Office

Finsbury Tower
103-105 Bunhill row
London EC1Y 8TY
Telephone: +44 (0) 20 7496 0055
Fax: +44 (0) 20 7847 1719
Corporate website: www.hemscottplc.com
Email: corpcomms@hemscott.co.uk

Registered number

27883 (England & Wales)

Company Secretary

Nick Sarker

Registered auditors

Deloitte & Touche
180 Strand
London WC2R 1BL

Principal clearing bank

HSBC
70 Pall Mall
London SW1Y 4EY

Registrars

Capital Registrars
The Registry
34 Beckenham Road
Beckenham
Kent BR3 4TH
Share registration queries: 0870 162 3100

Solicitors

Richards Butler
Beaufort House
15 St. Botolph Street
London EC3A 7EE

AIM nominated adviser and broker

KBC Peel Hunt Ltd
111 Old Broad Street
London EC2R 1PN

Directors' Remuneration Report

The terms of reference and composition of the Remuneration Committee are set out on page 19.

The company's remuneration policy is designed to attract, retain and motivate high calibre individuals. In framing the package for any individual, full consideration is given to the Combined Code.

The emoluments of the directors for the year, charged to the consolidated profit and loss account on page 25, are shown below:

	2002 Salary/Fee/Benefits £'000	2001 Total £'000
Michael Grade	35	35
Rosalyn Wilton	200	200
Natalie Newton (2002: from 22 July 2002)	40	-
Stephen Roche (2001: from 19 July 2001)	150	68
Winston Fletcher	18	18
Charles Jillings	18	18
Kevin O'Byrne (2002: to 31 August 2002)	76	150
Christopher Stainforth (2002: to 31 August 2002)	20	30
	557	519

Kevin O'Byrne resigned as a director on 22 July 2002 but continued to be employed by the company until 31 August 2002. Christopher Stainforth resigned as a director on 23 April 2002 but continued to be paid by the company until 31 August 2002.

Rosalyn Wilton, Natalie Newton and Stephen Roche received private health insurance cover during the year and Kevin O'Byrne, until 30 August 2002.

Directors' interests

The interests of the directors and their immediate families in the ordinary shares of 5p each of the company, including options granted but not yet exercised under the Executive Share Option Scheme and by separate agreement were as shown in the following tables. There were no changes in the interests of the directors or their immediate families in the issued share capital of the Company between 1 January 2003 and 14 February 2003.

Shareholdings:

	At 31 December 2002	At 31 December 2001
Rosalyn Wilton	62,222	62,222
Stephen Roche	8,888	8,888
Charles Jillings*	30,274	30,274
Winston Fletcher	100,000	100,000

* The interests of Charles Jillings includes 15,137 shares held by the trustee of a trust in which Charles Jillings and his family are interested. He is a director of The Analysis & Research Company Limited which acts as a consultant to CRBF and Kanawa Limited. CRBF's shareholding is shown as 31.79% and Kanawa Limited's shareholding is shown as 3.61% in the substantial shareholdings disclosure on page 17. During 2002 Charles Jillings was appointed as an alternate director of Special Utilities Investment Trust which holds 266,000 ordinary shares in the company.

Options:

	At 1 Jan 2002 or subsequent date of appointment	Granted	Exercised/ Lapsed	At 31 Dec 2002	Exercise price (p)	Date at which first exercisable	Expiry date
Michael Grade	68,140	-	-	68,140	112.5	15/08/2001 ¹	21/03/2010
Rosalyn Wilton	60,000	-	-	60,000	50.0	15/08/2001	23/07/2011
	153,343	-	-	153,343	50.0	15/08/2001	17/06/2011
	853,371	-	-	853,371	50.0	28/02/2002 ²	17/06/2011
	1,574,612	-	-	1,574,612	82.5	15/08/2001 ³	17/06/2011
	97,344	-	-	97,344	112.5	15/08/2001 ³	17/06/2011
Natalie Newton	40,000	-	-	40,000	50.0	15/08/2001 ³	23/07/2011
	20,000	-	-	20,000	82.5	15/08/2001 ³	23/07/2011
Stephen Roche	52,566	-	-	52,566	50.0	15/08/2001	23/07/2011
	7,434	-	-	7,434	50.0	28/02/2002	23/07/2011
	45,132	-	-	45,132	50.0	28/02/2002	17/06/2011
	157,696	-	-	157,696	50.0	28/02/2003 ⁴	17/06/2011
	282,297	-	-	282,297	82.5	15/08/2001 ³	17/06/2011
	97,344	-	-	97,344	112.5	15/08/2001 ³	17/06/2011
Winston Fletcher	34,070	-	-	34,070	112.5	15/08/2001 ¹	31/05/2010

¹ Exercisable in three equal tranches on 15 August 2001, 15 August 2002 and 15 August 2003

² Exercisable in four equal tranches on 28 February 2002, 28 February 2003, 28 February 2004 and 28 February 2005

³ Exercisable in five equal tranches on 15 August 2001, 28 February 2002, 28 February 2003, 28 February 2004 and 28 February 2005

⁴ Exercisable in three equal tranches on 28 February 2003, 28 February 2004 and 28 February 2005

No options were granted, exercised or lapsed during the year.

The market price of the ordinary shares at 31 December 2002 was 19.5p and the range during the year was 15.5p to 29.5p.

Service agreements

The executive directors have service agreements that can be terminated by either party giving not less than six months' written notice, save that in the cases of Rosalyn Wilton and Stephen Roche and where the company is subject to a change of control, the company must give either director 12 months' notice of termination, and any payment in lieu of notice in such circumstances will be no less than the aggregate of all salary, bonuses and other benefits received by the relevant director in the 12 months prior to the notice of termination. This amendment to the service agreements of Rosalyn Wilton and Stephen Roche was agreed by the Remuneration Committee.

The company has entered into a letter of appointment with Michael Grade as non-executive chairman for an annual fee of £35,000 terminable by either party and with Winston Fletcher as a non-executive director for an annual fee of £18,000 terminable by either party.

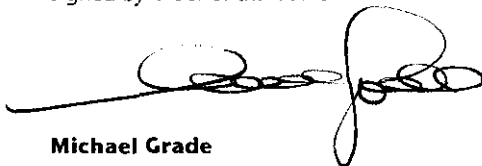
Directors' Remuneration Report

Continued

For the period that Christopher Stainforth was a director, the company had a consultancy agreement with Denfurlong (Consultants) Limited, a company of which Christopher Stainforth is a director, the principal terms of which were that Denfurlong (Consultants) Limited agreed to provide the services of Christopher Stainforth to act as a non-executive director of Hemscott plc and Hemscott plc paid Christopher Stainforth an annual fee of £30,000 for these services.

The company has entered into a letter of appointment with The Analysis and Research Company Limited ("ARC"), a company of which Charles Jillings is a director, the principal terms of which are that ARC agrees to provide the services of Charles Jillings as a non-executive director of Hemscott plc for an annual fee of £18,000 for an indefinite period terminable by notice by either party or if Charles Jillings ceases to be a director.

Signed by order of the board

A handwritten signature in black ink, appearing to read 'Michael Grade', with a long horizontal line extending to the left.

Michael Grade

Director

14 February 2003