The Gleaner Company Limited

Notes to the Financial Statements

Year ended December 31, 2001

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1 THE COMPANY

The Gleaner Company Limited (Company) established in 1834 is the holding company of the following companies:

(a)	Sangster's Book Stores Limited and its wholly-owned subsidiary The Book Shop Limited	100% subsidiary
(b)	Popular Printers Limited and its wholly-owned subsidiaries, Selectco Publications Limited and Associated Enterprise Limited	100% subsidiary
	Selectco Publications Limited owns 33 1/3% of the shares in Jamaica Joint Venture Investment Company Limited, a property company.	
(c)	Independent Radio Company Limited	56% subsidiary
(d)	The Gleaner Company (UK) Limited	100% subsidiary
(e)	The Gleaner Company (NA) Incorporated -	100% subsidiary
(f)	The Gleaner Company (NA) Limited	100% subsidiary

The Gleaner Company (NA) Limited is a wholly-owned subsidiary of The Gleaner Company (NA) Incorporated. All the companies in the Group are incorporated under the laws of Jamaica with the exception of The Gleaner Company (UK) Limited, The Gleaner Company (NA) Inc. and The Gleaner Company (NA) Limited which are incorporated in the United Kingdom, Canada and the United States of America, respectively. The holding Company's shares are quoted on the Jamaica Stock Exchange. The average number of employees employed by the group was 648 (2000: 643).

The major activities of the Group are the publication and printing of newspapers and the sale of books.

2 BASIS OF PREPARATION, CONSOLIDATION AND SIGNIFICANT ACCOUNTING POLICIES

a. Basis of Preparation:

The financial statements are prepared in accordance with the provisions of the Companies Act, and in accordance with Jamaican generally accepted accounting principles ("GAAP"), GAAP is materially represented by Statements of Standard Accounting Practice issued by the Institute of Chartered Accountants of Jamaica,

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amount of assets, liabilities, contingent assets and liabilities at the balance sheet date and the income and expenses for the year then ended. These estimates may differ from actual amounts.

The financial statements are prepared under the historical convention, except for the inclusion of certain fixed assets at valuation, and are presented in Jamaica Dollars. Where necessary, prior year comparatives have been reclassified to conform with 2001 presentation.

b. Basis of Consolidation:

The group financial statements present the results of operations and financial position of the Company and its subsidiaries made up to December 31, 2001. The Company and its subsidiaries are collectively referred to as the "Group".

As at February 28, 2001, Independent Radio Company Limited became a 56% subsidiary (2000:47% associate) of the Company as a result of a rights issue on that date for which the company paid $6,875,030. As a result, the Independent Radio Company Limited financial statements are included in the Group's consolidated accounts.

Significant accounting policies:

a. Depreciation

Fixed assets, with the exception of freehold land on which no depreciation is provided, are depreciated on both the straight-line and reducing-balance methods at annual rates estimated to write off the assets over their expected useful lives. The depreciation rates are as follows:

Buildings (note 3b)	-	2 1/2% and 5%
Furniture & fixtures	-	10% and 20%
Machinery & equipment	-	10%, 12 1/2%, 20% & 25%
Motor vehicles & computer equipment	-	20% and 25%
Presses	-	5%
Typesetting equipment	-	33%
Leased assets (see note 3c)	-	over the period of the leases

b. Foreign Currencies

Transactions in foreign currencies are converted at the exchange rates ruling at the dates of those transactions. Foreign currency balances outstanding at the balance sheet date and items in the foreign subsidiaries profit and loss account are translated at the rates of exchange ruling on that date (US$1 = J$:47.17; 2000 - US$1 = J$:44.95) (1 Pound Sterling = J$66.76: 2000 - 1 Pound Sterling = A J$65.77) (Can$1 = J$: 29.45: 2000 - Can$1 = J$: 29.87). Gains and losses arising from fluctuations in exchange rates have been included in arriving at the trading profit for the year.

C. Associated Companies

Jamaica Joint Venture Investment Company Limited and its subsidiaries are associated companies. Jamaica Popular Investment Company Limited is 50% owned by Popular Printers Limited. With the exception of Jamaica Popular Investment Company Limited, the Company has not adopted the equity method of accounting for investments as the Directors of the Company do not consider that they exercise significant influence over the financial or operating policies of that company and its subsidiaries (see note 7).

The appropriate share of the (loss)/profit in Independent Radio Company Limited as an associated company up to February 28, 2001, and the profit in an associated company of

Popular Printers Limited for 2001, namely, Jamaica Popular Investment Company Limited, have been included in the Group accounts. The Group's share of the loss in Independent Radio Company Limited amounts to $412,402 (2000: profit of $936,520) for the year ended December 31, 2001. The Group's share of loss in Jamaica Popular Investment Company Limited amounts to $577,621 (2000: profit of $1,257,220) for year ended December 31, 2001.

d. Inventories

Newsprint has been valued at the lower of cost, determined on last-in first-out basis (LIFO), and net realizable value. The effect of the adoption of the LIFO basis is to decrease the valuation of Newsprint Inventories computed by reference to average cost by $4,419,422 (2000: $5,527,120). All other inventories have been valued at the lower of average cost, or first-in first-out, and net realizable value.

e. Deferred Taxation

Deferred taxation is provided at current rates on timing differences between profits for financial statements and tax reporting purposes and includes investment allowances which are recognized over the expected useful lives of the assets (see note 15).

f. Pensions

The Group and Company operate pension schemes (see note 19) and the assets of the schemes are held separately from those of the Company. Contributions to the schemes are charged to the Group Profit and Loss Account to fund past and future benefits.

g. Repurchase and Reverse Repurchase Agreements

A repurchase agreement ("Repo") is a short-term transaction whereby securities are bought and sold with simultaneous agreements for reselling/repurchasing the securities on the date specified.

Although the security is delivered to the "buyer" at the time of the transaction, title is not actually transferred unless the counterparty fails to repurchase the securities on the date specified.

Repurchase and reverse repurchase agreements are accounted for as short-term collaterised borrowing and lending, respectively.

h. Deferred Subscription Revenue

Subscription revenue is recognized over the life of the subscription. Revenue received in advance is deferred to match the revenue with the future costs associated with honouring the subscription.

3 PROPERTY, PLANT AND EQUIPMENT

	Group		Company	
	2001	2000	2001	2000
	$'(000)	$'(000)	$'(000)	$'(000)
Cost or valuation:				
Freehold land & buildings	182,828	182,769	154,789	154,789
Furniture & Fixtures	13,828	14,542	10,001	9,293
Machinery & Equipment	91,096	53,449	57,136	49,148
Motor Vehicles & Computer Equipment	154,470	135,855	90,124	91,611
Press	135,710	135,710	135,710	135,710
Typesetting equipment	4,890	4,890	4,890	4,890
Leased assets (notes 2a and 3c)	27,365	33,826	27,365	26,729
	610,187	561,041	480,015	472,170
Accumulated depreciation:				
Freehold land and buildings (note 2a)	30,729	21,734	24,812	17,084
Furniture & fixtures	7,789	8,362	5,690	4,901
Machinery & equipment	52,744	24,715	26,595	20,466
Motor vehicles & computer equipment	101,054	92,687	61,814	66,857
Presses	52,972	46,187	52,972	46,187
Typesetting equipment	4,890	4,772	4,890	4,772
Leased Assets (notes 2a and 3c)	10,012	12,832	10,012	5,735
	260,190	211,289	186,785	166,002
Net Book Values	349,997	349,752	293,230	306,168

a. The depreciation charge for the year is made up as follows:

	Group 2001 $'(000)	Group 2000 $'(000)	Company 2001 $'(000)	Company 2000 $'(000)
Freehold buildings	8,934	7,988	7,728	7,728
Furniture & fixtures	1,137	2,274	794	820
Machinery & equipment	9,920	5,618	6,129	5,617
Motor vehicles & computer equipment	24,591	23,261	14,399	16,592
Press	6,785	6,785	6,785	6,785
Typesetting equipment	118	118	118	118
Leased assets	7,438	7,677	7,438	7,451
	58,923	53,721	43,391	45,111

b. Freehold Land and Buildings

The Company's building at 7 North Street was revalued at $148M (2000:$148M) on a fair market value basis as an office and warehouse complex in September 1998 by C. D. Alexander Company Realty Limited, Real Estate Brokers and Appraisers of Kingston. The Board has decided to revalue such buildings at 5-year intervals. Sangster's Book Stores Limited buildings were revalued in March 1998 at a fair market valuation of $21,150,000 by Property Consultants Limited, Real Estate Brokers and Appraisers of Kingston. The surplus arising on revaluation, inclusive of depreciation no longer required, has been included in capital reserves (see note 11). Freehold land and buildings include freehold land at a cost of $199,600 for the Company and at valuation/cost of $1,049,000 for the Group.

C. Leased Assets

Fixed assets acquired under finance leasing arrangements are included at cost, less accumulated depreciation calculated to write them off over the period of the leases. After deducting interest attributable to future periods, the net payable is included in accounts payable and long-term liabilities. Interest is charged so as to arrive at a constant rate of charge over the period of the leases.

d. Assets at Cost

Apart from assets shown in (b), all other fixed assets are shown at cost.

4 LONG-TERM RECEIVABLES

	Group 2001 $'(000)	Group 2000 $'(000)	Company 2001 $'(000)	Company 2000 $'(000)
(i) Loan	53	197	-	-
(ii) 18% Loan	6,892	6,892	-	-
(iii) General Consumption Tax (GCT)	2,958	3,028	2,089	2,725
	9,903	101,117	2,689	2,725
Less current portion (included in other receivables)	(2,214)	(2,016)	(1,749)	(1,613)
	7,689	8,101	340	1,112
	=======	=======	=======	=======

(i) This loan is repayable in ten years in equal monthly instalments of $10,978 including interest at 12.5% per annum. Repayments commenced in June 1992.

(ii) The loan is repayable on or before July 1, 2003.

(iii) GCT paid on purchase of fixed assets which is recoverable in twenty-four equal monthly instalments from the date of purchase.

5 NATIONAL HOUSING TRUST CONTRIBUTIONS

The Group's contributions up to July 31, 1979 are recoverable in the years 2001/4 and are as follows:

Year of Contribution	Amount Contributed Group $'(000)	Amount Contributed Company $'(000)	Year of Repayment
1976	88	85	2001
1977	159	125	2002
1978	123	108	2003
1979	81	65	2004
	451	383	
	===	===	

The above contributions have heen charged to the Profit and Loss Account in previous years.

6 LEASE COMMITMENTS

Unexpired lease commitments at December 31 expire as follows:

	Group		**Company**	
	2001	**2000**	**2001**	**2000**
	$'(000)	**$'(000)**	**$'(000)**	**$'(000)**
Within one year	7,125	6,989	5,228	6,285
Subsequent years	17,870	11,219	14,939	10,981
	24,995	18,208	20,167	17,266
	=======	=======	=======	=======

7 INVESTMENTS

	Group		**Company**	
	2001	**2000**	**2001**	**2000**
	$'(000)	**$'(000)**	**$'(000)**	**$'(000)**
Shares at cost, less amounts written off:				
Subsidiary Companies:				
Popular Printers Limited	-	-	426	426
Sangster's Book Stores Limited	-	-	2,650	2,650
The Gleaner Co. (UK) Ltd.	-	-	1	1
The Gleaner Company (NA) Inc.	-	-	687	687
Independent Radio Company Limited	-	13,875	11,195	7,754
Associated Companies:				
Jamaica Popular Investment Company Limited (See note a)	1,091	1,543	-	-
Jamaica Joint Venture Investment Company Limited (See notes b and 2c)	150	150	-	-

Quoted Shares at cost (market value $106,265,160 2000: $30,382,854)	66,230	26,431	66,229	26,431
Quoted Shares at cost (market value $172,516 2000: $86,729)	13	13	-	-
Government of Jamaica securities	1,838	1,606	-	-
Other unquoted investments;				
Shares at cost (See note c).	503	503	254	254
Ocho Rios Beach Limited	22,568	22,568	22,568	22,568
Debentures	50	50	50	50
	92,443	66,739	104,060	60,821

(a) Jamaica Popular Investment Company Limited is 50% owned by Popular Printers Limited.

(b) Selectco Publications Limited owns 33 1/3% of Jamaica Joint Venture Investment Company Limited.

(c) Other unquoted investments include an interest in the Caribbean News Agency, Caribbean Financial Services Corporation and Stabroek News, Guyana.

8 INVENTORIES & GOODS IN-TRANSIT

	Group		Company	
	2001 $'(000)	2000 $'(000)	2001 $'(000)	2000 $'(000)
Newsprint	30,787	23,220	30,787	23,220
Books, stationery and general supplies	137,903	103,924	-	-
Goods-in-transit	18,699	11,198	-	24
Consumable stores	16,441	9,694	16,441	9,694
	203,830	148,036	47,228	32,938

9 LONG-TERM LIABILITIES

	Group		Company	
	2001	**2000**	**2001**	**2000**
	$'(000)	**$'(000)**	**$'(000)**	**$'(000)**
Bank loan	2,412	5,044	2,412	5,044
Stockholders' loans	3,264	-	-	-
Finance Lease Obligations	20,167	17,266	20,167	17,266
	25,843	22,310	22,579	22,310
Less Current portion	(7,640)	(8,917)	(7,640)	(8,917)
	18,203	13,393	14,939	13,393
	=======	=======	=======	=======

The bank loan bears interest at 8.5% per annum and is repayable over a period of 3 years ending in the year 2002. The loan is secured by a fixed charge over the company's two diesel generators.

The shareholder's loans to Independent Radio Company Limited are unsecured and bear interest at a rate equal to the yield of the most recent issue of twelve-month treasury bills, determined as at the first day of April in each year the interest is payable. The actual rate for the year was 16.93%. There is a moratorium on principal for three years, after which the loans will be repaid in five consecutive equal annual instalments, commencing April 1, 2004

10 SHARE CAPITAL

	2001	**2000**
	$'(000)	**$'(000)**
Authorised - 860,000,000 (2000: 710,000,000) ordinary shares of 50 cents each	430,000	355,000
	=======	=======
Issued and fully paid - 854,082,186 (2000: 698,794,516) stock units of 50 cents each	427,041	349,397
	=======	=======

At an Extraordinary General Meeting held on Thursday, December 13, 2001 (2000: December 14, 2000), resolutions were passed:

- increasing the authorised capital of the Company from $355,000,000 (2000: $265,000,000) to $430,000,000 (2000: $355,000,000) by the creation of 150,000,000 (2000: 180,000,000) ordinary shares of 50 cents each ranking pari passu in all respects with the existing ordinary stock units of the Company. Such shares shall be issued on such terms and at such times as the Board of Directors shall determine and shall, as and when issued and fully paid up, be converted into ordinary stock units transferable in units of 50 cents each.

  authorizing the Directors to issue to stockholders on record at the close of business on December 28, 2001, two bonus shares for every nine stock units held. In consequence, 155,287,670 (2000: 174,698,628) shares were issued and converted to stock units bringing the number of stock units to 854,082,186 (2000: 698,794,516) with a par value of $427,041,093 (2000: $349,397,000).

11 RESERVES

	Group		Company	
	2001	**2000**	**2001**	**2000**
	$'(000)	**$'(000)**	**$'(000)**	**$'(000)**
CAPITAL				
Realized:				
Share Premium	4,353	4,353	4,353	4,353
Other	7,637	23,807	-	25,483
Gain on disposal of fixed assets	2,604	2,270	-	-
	14,594	30,430	4,353	29,836
Unrealized:				
Revaluation of buildings	193,600	194,669	169,411	170,480
Revaluation of investment	1,219	1,219	-	-
Reserve arising from consolidation of subsidiaries (net of goodwill) and debt	27,819	21,717	-	-
Exchange difference on opening investment in subsidiary	3,901	3,429	-	-

	226,539	221,034	169,411	170,480
Total Capital	241,133	251,464	173,765	200,316
	=======	=======	=======	=======
REVENUE:				
Retained profits at end of the year	583,146	528,138	437,269	403,872
	=======	=======	=======	=======

Retained profits for the Company and the Group at December 31, 2001, include $131,000 (2000: $131,000) franked income available for distribution without deduction of tax.

Capital distribution of $415,762 (2000: $415,762) can be made from distributions received from a subsidiary company and transfer tax withheld and retained by the Company.

12 REVENUE

Revenue represents sales by the Group, before commission payable but excluding returns, as follows:

	2001 $'(000)	**2000 $'(000)**
Circulation	566,429	505,532
Advertising	1,001,046	837,012
Books and stationery	442,457	401,222
Other	524	779
	2,010,456	1,744,545
	=========	=========

13 PROFIT FROM OPERATIONS

Profit from operations is stated after charging/(crediting):

	2,001 $'(000)	**2,000 $'(000)**
Directors' emoluments:		
Fees	524	485
Management remuneration	10,375	9,152
Staff costs	566,405	469,919
Auditors' remuneration	4,377	4,495
Depreciation	58,923	53,721
Interest income	(104,152)	(69,824)
	=========	========

14 EXCEPTIONAL ITEM

This represents gain on disposal of fixed assets.

15 TAXATION

Taxation is based on the group profit for the year as adjusted for tax purposes. Total tax charge for 2001 represents an effective tax rate of 26.9% (2000: 25.8%) on $231.8M (2000: $254.7M) pre-tax profit compared to a Jamaica statutory tax rate of 33 1/3%. The tax effect of differences between treatment of items for financial statements and taxation purposes are as follows:

	2001 $'(000)	2000 $'(000)
Income Tax at 33 1/3%	77,403	85,872
Taxation on share of profits of associated company	(18)	1,278
UK Corporation Tax at 23%	-	119
Canadian Income Tax at 45%	478	-
Deferred taxation (note 2e)	156	654
Tax credit on bonus shares issued (restricted)	(18,391)	(21,205)
Profit on disposal of fixed assets and balancing charge	(1,444)	(1,136)
Difference between depreciation and tax capital allowance	5,513	5,557
Accrued interest receivable	523	(275)
Unrealised gain on foreign exchange	(1,300)	(2,211)
Finance lease payments	(2,489)	(3,151)
Expenses not allowed for tax purpose	738	607
Tax adjustment in respect of previous year	1,145	138
	62,314	66,247

16 DIVIDENDS PAID (GROSS)

An interim capital distribution of 3.5 cents per stock unit (less transfer tax of 7 1/2 %) was paid on March 13, 2001, to shareholders on record at close of business on

February 23, 2001.

A second interim capital distribution of 2.0 cents per stock unit (less transfer tax of 7 1/2%) and ordinary capital dividend of 1.5 cents per stock unit less income tax was paid on August 14, 2001, to shareholders on record at the close of business on July 27, 2001.

17 EARNINGS PER STOCK UNIT

The calculation of earnings per stock unit is based on profit after taxation of $170.7M (2000: $189.1 M) attributable to stockholders of the Company and the issued and fully paid ordinary share capital of 854,082,186 stock units of 50 cents each. The 2000 figure has been restated to give effect to the bonus issue made in December 2001.

18 RELATED PARTY BALANCES AND TRANSACTIONS

Two parties are considered to be related when:
(a) one party is able to exercise control or significant influence over the other party; or
(b) both parties are subject to common control or significant influence from the same source.

The balance sheet includes the balances, arising in the ordinary course of business, with subsidiaries and associated companies as follows:

	Group		**Company**	
	2001	**2000**	**2001**	**2000**
	$'(000)	**$'(000)**	**$'(000)**	**$'(000)**
Investments:				
Subsidiaries	-	-	14,959	3,764
Trade and other receivables:				
Subsidiaries	-	-	94,253	69,837
Associated companies	3,666	250	3,666	
Trade and other payables				
Subsidiaries	-	-	11,942	-
Associated Companies	-	4,835	-	4,835
	======	======	======	======

The profit and loss account includes the following income earned from, and expenses incurred in, transactions with subsidiaries and associated companies. The transactions were in ordinary course of business.

	Group		Company	
	2001	**2000**	**2001**	**2000**
	$'(000)	**$'(000)**	**$'(000)**	**$'(000)**
Revenue:				
Subsidiaries	-	-	(388)	5,285
Other operating income:				
Subsidiaries	-	-	36,974	29,296
Cost of sales:				
Subsidiaries	-	-	2,870	-
Administration expenses:				
Subsidiaries	-	-	4,690	399

19 PENSION FUNDS

a. The Company operates a "benefits based" contributory pension scheme which is self administered and managed by a Board of Management appointed by The Gleaner Company Limited. The Scheme is subject to triennial actuarial valuation. The most recent valuation was done on the projected unit method, as at May 1, 1999. This showed the fund to be adequately funded. The Company's contributions, charged to the Profit and Loss Account, for the year were $9.4M (2000: $8.5M).

b. SANGSTER'S BOOK STORES LIMITED. This subsidiary operates a contributory pension scheme for all employees of this subsidiary and The Book Shop Limited who have satisfied certain minimum service requirements. The benefits are computed by reference to final salaries. The last actuarial valuation at December 31, 1997, showed that the Scheme was adequately funded. The next actuarial review is due as at December 31, 2000. The contributions, charged to the Profit and Loss Account, for the year were $681,103 (2000: $1,834,805)

20 FINANCIAL INSTRUMENTS

A financial instrument is any contract that gives rise to both a financial asset of one enterprise and a financial liability or equity instrument of another enterprise. For the purpose of the financial statements, financial assets have been determined to include cash resources, accounts receivable, securities purchased under agreements for resale, investments and amounts due from parent company. Financial liabilities include bank overdraft, accounts payable and long-term liabilities.

(a) Fair value of financial instruments:

Fair value is the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

The fair values of cash resources, accounts receivable, securities purchased under agreements for resale, due to parent company, bank overdraft and accounts payable approximate their carrying value due to their relatively short-term nature. The fair value of investments and long-term liabilities (notes 7 and 9) are reflected at market value, or cost, where there is no market value.

(b) Financial instrument risks:

Exposure to credit, interest rate, foreign currency market and liquidity risks arises in the ordinary course of the Group's and Company's business.

(i) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation resulting in loss to the other party.

The Group and Company manage this risk by screening customers, establishing credit limits and the rigorous follow up of receivables. At the balance sheet date, there were no significant concentrations of credit risk and the maximum exposure to credit risk is represented by the carrying amount of each financial asset.

(ii) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

The Group and Company minimize interest rate risk by investing mainly in fixed rate government securities.

(iii) Foreign currency risk

The Group and Company are exposed to foreign currency risk on transactions that are undertaken in foreign currencies. The main foreign currencies giving rise to this risk are the United States dollar (US$), Pound Sterling (£) and Canadian dollar (Cdn$). The Group and Company ensure that the risk is kept to an acceptable level by monitoring their risk exposure and by maintaining funds in US dollars as a hedge against adverse fluctuations in exchange rates.

The net foreign currency assets/(liabilities) at December 31, 2001, are as follows:

	Group		**Company**	
	2001	**2000**	**2001**	**2000**
	$'(000)	**$'(000)**	**$'(000)**	**$'(000)**
US$	3,716	2,696	4,087	2,905
£ Sterling	(168)	(161)	88	29
Cdn$	(2,427)	1,433	(3,227)	746
	=======	=======	=======	=====

(iv) Market risk

Market risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices whether those changes are caused by factors specific to the individual security, its issuer or factors affecting all securities traded in the market. The Group and Company manage this risk by monitoring daily the market value of the securities on the Stock Exchange and their companies' quarterly financial reports.

(v) Liquidity risk

Liquidity risk, also referred to as funding risk, is the risk that the Group and Company will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed facilities. The Group and Company manage this risk by ensuring that it maintains a balanced investment portfolio to take care of its operating cash requirements and its need to optimise its return on investments.

21 AUTHORISED CAPITAL EXPENDITURE

	Group		Company	
	2001	**2000**	**2001**	**2000**
	$'(000)	**$'(000)**	**$'(000)**	**$'(000)**
Capital expenditure authorised but not contracted for	65	-	56	-
	==	==	==	==

22 CONTINGENT LIABILITIES

There are contingent liabilities in respect of $2M (2000: $2M) worth of guarantees issued on behalf of the Group and $2M (2000: $2M) for the Company.

23 LIBEL CASES

The Company's lawyers have advised that they are of the opinion that the provision made in the Company's accounts as at December 31, 2001, is a reasonable provision for the purpose of covering all reasonable and probable judgements and costs for libel actions against the Company.