

Inspectorate (US) Limited
Annual report
for the year ended 31 December 2001



Inspectorate (US) Limited

Annual report for the year ended 31 December 2001

	Pages
Directors' report	1 - 2
Independent auditors' report	3
Profit and loss account	4
Balance sheet	5
Notes to the financial statements	6 - 9

Inspectorate (US) Limited

Directors' report for the year ended 31 December 2001

The directors present their report and the audited financial statements of the company for the year ended 31 December 2001.

Principal activities

The principal activity of the company is that of an investment holding company.

Review of business and future developments

The directors consider the financial position at the year end to be satisfactory.

The company did not trade during the year and will continue to act as a holding company for the foreseeable future.

Dividends

The directors do not propose the payment of a final dividend (2000: £Nil)

Directors

The directors of the company during the year ended 31 December 2001 are listed below:

R Mort
J Gynn
S Williams

Directors' interests

None of the directors who held office at the end of the financial year had any interest in the shares of the company at 31 December 2001.

Insurance of directors

The group maintains insurance for the directors in respect of their duties as directors of the group.

Inspectorate (U.S.) Limited

Directors' responsibilities

The directors are required by UK company law to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss of the company for that period.

The directors confirm that suitable accounting policies have been used and applied consistently and reasonable and prudent judgements and estimates have been made in the preparation of the financial statements for the year ended 31 December 2001. The directors also confirm that applicable accounting standards have been followed and that the financial statements have been prepared on the going concern basis.

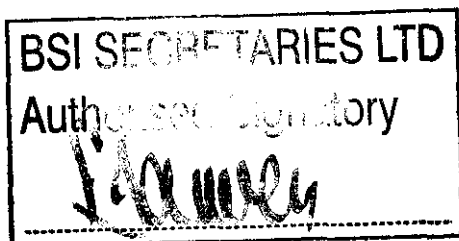
The directors are responsible for keeping proper accounting records, for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

By elective resolution the company has taken advantage of Section 386 of The Companies Act 1985, exempting itself from the obligation to appoint auditors as required by Section 384 of the Companies Act 1985. The company's auditors are PricewaterhouseCoopers.

By order of the board

Company secretary



Inspectorate (US) Limited

Independent auditors' report to the members of Inspectorate (US) Limited

We have audited the financial statements on pages 4 to 9.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities on page 2.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

We read the other information contained in the annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

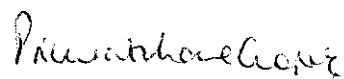
Basis of audit opinion

We conducted our audit in accordance with auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 December 2001 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
Cambridge

14/8/02

Inspectorate (US) Limited

Profit and loss account for the year ended 31 December 2001

	Notes	2001 £	2000 £
Administrative expenses		-	(50)
Loss on ordinary activities before taxation		-	(50)
Taxation	3	(28,572)	-
Loss for the year	9, 10	(28,572)	(50)

All expenses shown above relate to continuing operations.

The company has no recognised gains and losses other than the losses above and therefore no separate statement of total recognised gains and losses has been presented.

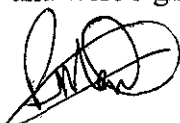
There is no difference between the loss on ordinary activities before taxation and the retained loss for the year stated above, and their historical cost equivalents.

Inspectorate (US) Limited

Balance sheet at 31 December 2001

	Notes	2001 £	2000 £
Fixed assets			
Investments	4	<u>5,668,185</u>	<u>5,668,185</u>
Current assets			
Debtors	5	<u>1,155,017</u>	<u>1,155,017</u>
Cash at bank		<u>1,889</u>	<u>1,889</u>
		<u>1,156,906</u>	<u>1,156,906</u>
Creditors: amounts falling due within one year	6	<u>(3,051,772)</u>	<u>(3,023,200)</u>
Net current (liabilities)		<u>(1,894,866)</u>	<u>(1,866,294)</u>
Net assets		<u><u>3,773,319</u></u>	<u><u>3,801,891</u></u>
Capital and reserves			
Called up share capital	7	<u>100</u>	<u>100</u>
Profit and loss account	8	<u>3,773,219</u>	<u>3,801,791</u>
Equity shareholders' funds	9	<u><u>3,773,319</u></u>	<u><u>3,801,891</u></u>

The financial statements on pages 4 to 9 were approved by the board of directors on 12 Aug 2001 and were signed on its behalf by:



R Mort
Director

Inspectorate (US) Limited

Notes to the financial statements for the year ended 31 December 2001

1 Principal accounting policies

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, is set out below.

FRS 17 "Retirement benefits" has been adopted with no resulting change in presentation, because the company does not have any defined benefit pension schemes. The company has also adopted FRS 18, "Accounting policies", and the directors confirm that the accounting policies used by the company are the most appropriate, consistently applied and adequately disclosed. FRS 19 "Deferred tax" was not adopted in 2001 but will be adopted in the next accounting period in line with the effective date of this standard.

Basis of accounting

The financial statements are prepared in accordance with the historical cost convention.

No group accounts have been prepared as the company is the subsidiary of an undertaking established in England and Wales and is included in the consolidated accounts of that undertaking.

The company has taken advantage of the exemption available to it under Financial Reporting Standard 1, which provides that where a company is a member of a group and the holding company produces a consolidated cash flow statement, the company does not have to prepare a cash flow statement.

Investments

Investments are valued at cost, except where the directors consider that there has been a permanent diminution in value. Provision is made against the cost of an investment to reduce its value where a permanent diminution is considered to have occurred.

Foreign exchange transactions

Transactions denominated in foreign currencies have been translated into sterling at actual rates of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies have been translated at rates ruling at the balance sheet date. Exchange differences have been included in operating profit.

Related party transactions

The company has taken advantage of the exemption available under Financial Reporting Standard 8 ("Related Party Transactions") not to provide details of transactions with other group companies.

Inspectorate (US) Limited

2 Directors' emoluments

Directors' emoluments are borne by other group companies without specific recharge (2000: £Nil).

3 Taxation

	2001	2000
Underprovision in respect of prior years	<u>28,572</u>	<u>-</u>

4 Fixed asset investments

	Shares in group undertakings £
Cost At 1 January 2001 and 31 December 2001	<u>5,668,185</u>

The company's holdings in subsidiary undertakings at 31 December 2001 were:

Company	Place of incorporation or registration	Equity Interest	Nature of business
Inspectorate Investments Limited	England & Wales	100%	Holding company
Inspectorate Investments (Number Two) Limited	England & Wales	100%	Holding company

5 Debtors

	2001 £	2000 £
Amounts falling due within one year		
Amounts owed by subsidiary undertakings	<u>1,155,015</u>	<u>1,155,015</u>
Amounts falling due after more than one year		
Amount owed by parent undertaking	<u>2</u>	<u>2</u>
	<u>1,155,017</u>	<u>1,155,017</u>

Inspectorate (US) Limited

6 Creditors: amounts falling due within one year

	2001 £	2000 £
Amounts owed to parent company	3,038,822	3,014,815
Amounts owed to fellow subsidiary undertaking	8,385	8,385
Corporation tax	4,565	-
	<u>3,051,772</u>	<u>3,023,200</u>

7 Called up share capital

	2001 £	2000 £
Authorised		
100 ordinary shares of £1 each	<u>100</u>	<u>100</u>
Allotted, called up and fully paid		
100 ordinary shares of £1 each	<u>100</u>	<u>100</u>

8 Reserves

	Profit and loss account
At 1 January 2001	3,801,791
Loss for the year	(28,572)
At 31 December 2001	<u>3,773,219</u>

9 Reconciliation of movements in shareholders' funds

	2001 £	2000 £
Shareholders' funds at 1 January	3,801,891	3,801,941
Retained loss for the financial year	(28,572)	(50)
Shareholders' funds at 31 December	<u>3,773,319</u>	<u>3,801,891</u>

Inspectorate (US) Limited

10 Financial commitments

Along with other group undertakings, the company has guaranteed certain loans of the British Standards Institution, which at 31 December 2001 amounted to approximately £23 million (2000: £29 million), and the bank overdrafts of certain other group undertakings, which at 31 December 2001 amounted to £nil (2000: £nil).

11 Immediate and ultimate parent undertaking

The company is a wholly-owned subsidiary of Inspectorate PLC, a company registered in England and Wales.

The directors regard the British Standards Institution ("BSI") as the ultimate controlling undertaking. The largest and smallest group in which the results of the company are consolidated is that headed by BSI. The consolidated accounts of this group are available to the public and may be obtained from 389 Chiswick High Road, Chiswick, W4 4AL.