

BET PLC

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2001

Registered Number : 49855



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BET PLC

REPORT OF THE DIRECTORS

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

PRINCIPAL ACTIVITY/FUTURE DEVELOPMENTS

The company's main business is and will continue to be that of an investment holding company for companies involved in providing business services. The company's income is derived from its investment in its subsidiary undertakings.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £9.7m (2000: £178.3m). An interim dividend amounting to £80.0m (2000: £145.0m) was paid and the balance of £(70.3m) (2000: £33.3m) the directors propose to transfer from reserves. The directors do not recommend the payment of a final dividend for 2001 (2000: £Nil).

DIRECTORS

R C Payne	
A Ross-Jones	- resigned 27 June 2001
R Ward-Jones	
J C F Wilde	
E F Brown	- appointed 27 June 2001
J A F Duarte	- appointed 27 June 2001
C M N Ward	- appointed 27 June 2001
A S Young	- appointed 27 June 2001
M D Ellis	- appointed 27 June 2001

The directors named above, except where shown, held office throughout the year. The interests of the directors in office at the year end (except for those who were also directors of the parent company and whose interests are shown in the Annual Report of that company) and their families in the share capital of the parent company, Rentokil Initial plc, at 31 December 2000 (or at date of appointment if later) and 31 December 2001 are set out overleaf. None of the directors listed had interests in the shares of the company, or any of its subsidiaries.

BET PLC

REPORT OF THE DIRECTORS (CONTINUED)

DIRECTORS' INTERESTS IN SHARES

Rentokil Initial plc ordinary shares of 1p each (Number of shares)

	31 December 2000 <u>Beneficial Interest</u>	31 December 2001 <u>Beneficial Interest</u>
J A F Duarte	*0	0
M D Ellis	* 19,897	19,897
C M N Ward	* 28,225	21,825
R Ward-Jones	50,505	54,639
J C F Wilde	17,691	21,825
A S Young	* 60,537	60,537

* or at date of appointment

SHARE OPTIONS

(Number of shares)

	At 31st <u>December 2000 *</u>	Granted during <u>the year</u>	Lapsed during <u>the year</u>	At 31st <u>December 2001</u>
J A F Duarte	520,278	-	-	520,278
M D Ellis	424,807	-	-	424,807
C M N Ward	666,095	-	-	666,095
R Ward-Jones	540,835	78,103	2,738	616,200
J C F Wilde	823,173	208,038	-	1,031,211
A S Young	941,281	-	-	941,281

* or at date of appointment

The register of directors' interests, which is open for inspection at Felcourt, East Grinstead, West Sussex, RH19 2JY, contains full details of all directors' shareholdings and options to subscribe for shares in Rentokil Initial plc. None of the directors listed above exercised share options during the year.

POLICY IN RELATION TO THE PAYMENT OF SUPPLIERS

The company has no external suppliers and therefore there are no trade creditors at the year end from which to calculate creditor days.

BET PLC

REPORT OF THE DIRECTORS (CONTINUED)

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that year. In preparing those financial statements, the directors are required to:

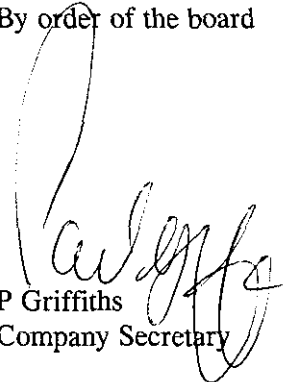
- confirm that suitable accounting policies have been used and then apply them consistently;
- confirm that judgements and estimates are reasonable and prudent;
- confirm that applicable accounting standards have been followed;
- prepare the financial statements on a going concern basis, unless it is inappropriate to presume the company will continue in business.

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

AUDITORS

PricewaterhouseCoopers have indicated their willingness to continue in office for the coming year.

By order of the board



P Griffiths
Company Secretary

Felcourt
East Grinstead
West Sussex
RH19 2JY

27 March 2002

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

BET PLC

We have audited the financial statements and the related notes on pages 5 to 14 which have been prepared under the historical cost convention and the accounting policies set out on pages 7 and 8.

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 on page 3. 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 United Kingdom Companies Act. 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.

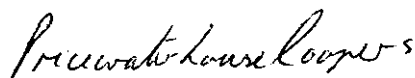
Basis of audit opinion

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 result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers
Chartered Accountants and
Registered Auditors
1 Embankment Place
London WC2N 6RH

27 March 2002

BET PLC**PROFIT & LOSS ACCOUNT****FOR THE YEAR ENDED 31 DECEMBER 2001**

	Notes	<u>2001</u> £m	<u>2000</u> £m
TURNOVER		-	-
Other income		<u>7.6</u>	<u>7.0</u>
OPERATING PROFIT		7.6	7.0
Loss on disposal of businesses	3	(6.2)	-
Profit on sale of investments		-	50.2
Income from shares in subsidiary undertakings		-	191.2
Amounts written off investments	9	<u>0.1</u>	<u>(66.4)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST AND TAXATION		1.5	182.0
Interest receivable and similar income	4	5.4	11.8
Interest payable and similar charges	5	<u>(5.5)</u>	<u>(13.9)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2	1.4	179.9
Taxation on profit on ordinary activities	7	<u>8.3</u>	<u>(1.6)</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		9.7	178.3
Equity dividends paid		<u>(80.0)</u>	<u>(145.0)</u>
RETAINED (LOSS)/PROFIT FOR THE YEAR	17	<u>(70.3)</u>	<u>33.3</u>

The results for the year are wholly attributable to the continuing operations of the company.

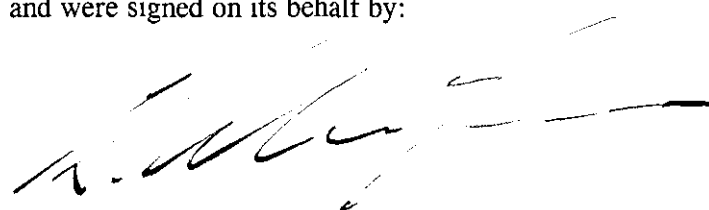
The company had no recognised gains and losses during the period other than those recorded in the above profit and loss account; accordingly, no separate statement of total recognised gains and losses has been prepared.

The notes on pages 7 to 14 form part of the financial statements

BET PLC**BALANCE SHEET****AS AT 31 DECEMBER 2001**

	Notes	<u>2001</u> £m	<u>2000</u> £m
FIXED ASSETS			
Tangible assets	8	0.1	0.1
Investments - shares in group undertakings	9	2,137.6	2,204.8
Investments - other investments	9	<u>134.0</u>	<u>134.0</u>
		2,271.7	2,338.9
CURRENT ASSETS			
Debtors - amounts due within one year	10	2.1	0.2
Debtors - amounts due after more than one year	10	80.9	66.0
Cash at bank		<u>0.3</u>	<u>16.6</u>
		83.3	82.8
CREDITORS			
AMOUNTS FALLING DUE WITHIN ONE YEAR	11	<u>(37.5)</u>	<u>(61.2)</u>
NET CURRENT ASSETS		<u>45.8</u>	<u>21.6</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		2,317.5	2,360.5
CREDITORS			
AMOUNTS FALLING DUE AFTER ONE YEAR	12	(1,630.5)	(1,609.7)
PROVISIONS FOR LIABILITIES AND CHARGES	13	<u>(8.6)</u>	<u>(2.1)</u>
NET ASSETS		<u>678.4</u>	<u>748.7</u>
EQUITY CAPITAL AND RESERVES			
Called up share capital	15	243.3	243.3
Share premium account	16	331.7	331.7
Other reserves	16	92.5	92.5
Profit and loss account	16	<u>10.9</u>	<u>81.2</u>
EQUITY SHAREHOLDERS' FUNDS	17	<u>678.4</u>	<u>748.7</u>

The financial statements on pages 5 to 14 were approved by the board on 27 March 2002 and were signed on its behalf by:



R Ward-Jones
Director

The notes on pages 7 to 14 form part of the financial statements

BET PLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2001

1. ACCOUNTING POLICIES

Accounting convention

The financial statements are prepared in accordance with applicable accounting standards and under the historical cost convention. The particular accounting policies adopted by the directors are described below and are considered suitable, have been consistently applied and are supported by reasonable and prudent judgements and estimates. During the year the company has implemented Financial Reporting Standard FRS 18 "Accounting Policies" as issued by the Accounting Standards Board in 2000. This had no financial effect on the results contained within the financial statements for the year ended 31 December 2001.

Consolidated financial statements

The company is exempt from the requirement to prepare group financial statements, as it is a wholly owned subsidiary of Rentokil Initial plc and as such these financial statements present financial information about the company as an individual undertaking.

Cash flow statement and related party disclosures

The company is a wholly owned subsidiary of Rentokil Initial plc and is included in the consolidated financial statements of Rentokil Initial plc which are publicly available. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard 1 (Revised 1996). The company is also exempt under the terms of Financial Reporting Standard 8 from disclosing related party transactions (but not balances) with entities that are part of the Rentokil Initial plc group or investees of the Rentokil Initial plc group (note 20).

Tangible Fixed Assets

Leasehold land and buildings are amortised in equal annual instalments over the periods of the leases subject to a minimum annual provision of 1% of costs. When the properties are sold the difference between sale proceeds and net book value is dealt with in the profit and loss account.

In accordance with FRS 15 annual impairment reviews are performed for properties with a useful economic life of greater than 50 years at the balance sheet date.

Investments

Investments held as fixed assets are stated at cost less provision for any impairment. In the opinion of the directors the value of such investments is not less than that shown at the balance sheet date.

BET PLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2001 (CONTINUED)

1. ACCOUNTING POLICIES (continued)

Provisions

Provision is made in accordance with FRS 12 for:

- Vacant property - In respect of vacant and partly sub-let leasehold properties to the extent that future rental payments are expected to exceed future rental income.
- Other provisions - For all other known liabilities which exist at the year end based on management's best estimate as to the cost of settling these liabilities.

Foreign currency transactions

Amounts expressed in foreign currencies are translated into sterling at the middle market rate of exchange ruling in London at the close of business at the period end.

Transactions during the year are translated at the middle market rates prevailing at the date of the transaction. Exchange gains or losses are dealt with in the profit and loss account.

2. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Audit fees of £8,480 (2000: £8,480) have been borne by Rentokil Initial plc.

3. LOSS ON DISPOSAL OF BUSINESSES

Net costs were incurred as a result of the disposal of businesses made in 2000:

	<u>2001</u> £m	<u>2000</u> £m
Provisions (note 13)	(6.5)	-
Prior year items	<u>0.3</u>	<u>-</u>
	<u>(6.2)</u>	<u>-</u>

BET PLC**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 DECEMBER 2001 (CONTINUED)****4. INTEREST RECEIVABLE AND SIMILAR INCOME**

	<u>2001</u> £m	<u>2000</u> £m
Loan note interest	4.1	-
Bank interest received	1.1	0.9
Interest received from subsidiary undertakings	0.2	5.6
Exchange gains	—	<u>5.3</u>
	<u>5.4</u>	<u>11.8</u>

5. INTEREST PAYABLE AND SIMILAR CHARGES

	<u>2001</u> £m	<u>2000</u> £m
Exchange losses	1.6	-
Bank interest paid	0.2	9.5
Interest paid to subsidiary undertakings	<u>3.7</u>	<u>4.4</u>
	<u>5.5</u>	<u>13.9</u>

6. DIRECTORS AND EMPLOYEES

The company has no employees and accordingly there are no employee costs (2000: £Nil). The directors received no emoluments for services as directors of the company (2000: £Nil).

7. TAXATION ON PROFIT ON ORDINARY ACTIVITIES

Taxation on the profit for the year comprises:

	<u>2001</u> £m	<u>2000</u> £m
UK corporation tax on profits of the period	(3.0)	(1.6)
Adjustment in respect of previous periods	<u>11.3</u>	—
Tax on profit on ordinary activities	<u>8.3</u>	(1.6)

BET PLC**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 DECEMBER 2001 (CONTINUED)****8. TANGIBLE ASSETS**

	Long leasehold land and buildings	Total
	£m	£m
Cost		
At 1 January 2001 and 31 December 2001	<u>0.1</u>	<u>0.1</u>
Net book value at 31 December 2000 and 31 December 2001	<u>0.1</u>	<u>0.1</u>

There were no assets held under finance leases.

9. INVESTMENTS

The principal investments at 31 December 2001 represent a 100% interest in the ordinary share capital of the following companies:

BET Finance Limited
BET Overseas Limited
BET UK Limited
BET US Limited
Initial IFF Limited
Rentokil Initial UK Limited
Securiguard Group Limited
United Transport International Limited
United Transport Zimbabwe Freight Limited

These subsidiaries, in turn, own 100% of the equity share capital of the following principal subsidiaries of Rentokil Initial plc:

Dudley Industries Limited
Initial A to Z Couriers Limited
Initial Catering Services Limited (75%)
Initial City Link Limited
Initial Contract Services Limited
Initial Electronic Security Systems Limited
Initial Hospital Services Limited
Initial Plant Services Limited
Initial Security Limited
Initial Style Conferences Limited
Rentokil Ailsa Environmental Limited
Rentokil Initial Management Services Limited
Rentokil Initial Services Limited
Rentokil IT Hygiene Limited
Rentokil Office Solutions Limited
Retail Cleaning Services Limited (51%)
Rezayat Deborah Saudi Arabia Co Limited (Saudi Arabia) (49%)
Rezayat Sparrow Arabian Crane Hire Co Limited (Saudi Arabia) (49%)
Unifreight Limited (Zimbabwe)

BET PLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2001 (CONTINUED)

9. INVESTMENTS (Continued)

Movement in investments during the year

	Shares in group undertakings £m
At 1 January 2001	2,204.8
Amounts written off investments (i) (ii)	<u>(67.2)</u>
At 31 December 2001	<u>2,137.6</u>

- (i) After carrying out an impairment review, the investments in subsidiaries were not written down.
- (ii) Conference Holdings Ltd was liquidated during the year and the investment of £67.2m was written off, however, intercompany loans amounting to £67.3m were taken over and the resulting £0.1m was taken to the profit and loss account.

Other investments

Other investments are a £134m convertible note issued by Ashtead Group plc in partial consideration for their purchase of the former US plant services business. The note has a final maturity date of May 2008 and interest has started accruing at 5.25% pa from June 2001. Prior to final maturity, BET PLC can exercise an option to convert the note into 89.333m ordinary shares of Ashtead Group plc (representing some 20% of total equity) at an effective exercise price of 150p per ordinary share. As at 31st December 2001, Ashtead Group plc's quoted share price (which is listed on the London Stock Exchange) was 79.5p.

10. DEBTORS

	<u>2001</u> £m	<u>2000</u> £m
<u>Amounts falling due within one year:</u>		
Interest receivable from third parties	1.9	-
Amounts owed by group undertakings	0.2	-
Other debtors	<u>-</u>	<u>0.2</u>
	2.1	0.2
<u>Amounts falling due after more than one year:</u>		
Amounts owed by group undertakings	<u>80.9</u>	<u>66.0</u>
	<u>83.0</u>	<u>66.2</u>

BET PLC**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 DECEMBER 2001 (CONTINUED)****11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<u>2001</u> £m	<u>2000</u> £m
Debentures	0.2	-
Bank loan	-	10.0
Corporation tax	36.2	46.7
Other creditors	<u>1.1</u>	<u>4.5</u>
	<u>37.5</u>	<u>61.2</u>

12. CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR

	<u>2001</u> £m	<u>2000</u> £m
Debentures - unsecured (note 14)	1.0	1.3
Amounts due to group undertakings	1,625.8	1,605.5
Other creditors	<u>3.7</u>	<u>2.9</u>
	<u>1,630.5</u>	<u>1,609.7</u>

13. PROVISIONS FOR LIABILITIES AND CHARGES

	<u>Vacant</u> <u>properties</u> £m	<u>Other</u> £m	<u>Total</u> £m
1 January 2001	2.1	-	2.1
Utilised during the year	(0.3)	-	(0.3)
Released to the profit and loss account	(0.1)	-	(0.1)
Charged to the profit and loss account	<u>0.4</u>	<u>6.5</u>	<u>6.9</u>
At 31 December 2001	<u>2.1</u>	<u>6.5</u>	<u>8.6</u>

The company has a number of vacant and partly sub-let leasehold properties. Provision has been made for the residual lease commitments together with other outgoings, after taking into account existing sub-tenant arrangements and assumptions relating to later periods of vacancy. In accordance with FRS 12, the provisions have been reviewed for movements in these properties during the year and £0.1m has been released to the profit and loss account. Other provisions principally comprise amounts to cover obligations arising, warranties given and costs relating to disposed businesses.

BET PLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2001 (CONTINUED)

14. OBLIGATIONS UNDER DEBENTURES, LOANS AND OVERDRAFTS

	<u>2001</u> £m	<u>2000</u> £m
Amounts payable		
- in one year, or less, or on demand	0.2	10.0
- between 1 and 2 years	-	-
- between 2 and 5 years	<u>1.0</u>	<u>1.3</u>
	<u>1.2</u>	<u>11.3</u>

15. CALLED UP SHARE CAPITAL

	<u>2001</u> £m	<u>2000</u> £m
AUTHORISED		
1,000 million ordinary shares of 25p each	<u>250.0</u>	<u>250.0</u>
CALLED UP SHARE CAPITAL		
973,464,929 allotted and fully paid ordinary shares (2000: 973,464,929)	<u>243.3</u>	<u>243.3</u>

16. RESERVES

	Share premium account £m	Other reserves £m	Profit and loss account £m
At 1 January 2001	331.7	92.5	81.2
Retained profit for the year	-	-	(70.3)
At 31 December 2001	<u>331.7</u>	<u>92.5</u>	<u>10.9</u>

17. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	<u>2001</u> £m	<u>2000</u> £m
Profit for the year	9.7	178.3
Dividends	(80.0)	(145.0)
	(70.3)	<u>33.3</u>
Premium on share issued	-	<u>121.8</u>
Net (reduction)/ addition to shareholders' funds	(70.3)	155.1
Opening shareholders' funds	<u>748.7</u>	<u>593.6</u>
Closing shareholders' funds	<u>678.4</u>	<u>748.7</u>

BET PLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2001 (CONTINUED)

18. PENSION AND POST RETIREMENT HEALTHCARE BENEFITS

Employees of subsidiary companies are included in the Rentokil Initial Pension Scheme.

BET PLC operates a funded plan which provides certain past employees with post retirement healthcare benefits. The date of the most recent independent actuarial assessment was 31 December 2001. The estimated liability of the post retirement healthcare plans at that date was £2.6 million which has been included in other creditors in the balance sheet at 31 December 2001 (2000: £2.9 million).

The actuarial valuation of the post retirement healthcare benefits liability assumed that healthcare costs will increase by 9.0% a year for four years and 5% thereafter with a net present value discount rate of 5.9%.

19. ULTIMATE PARENT COMPANY

The company's immediate parent company is Rentokil Initial plc. The company's ultimate parent company is also Rentokil Initial plc, which forms the only group into which the financial statements of the company are consolidated. The consolidated financial statements of Rentokil Initial plc are available from Felcourt, East Grinstead, West Sussex RH19 2JY.

20. OTHER RELATED PARTY TRANSACTIONS

Rentokil Initial plc is also the company's ultimate controlling party. The company has not undertaken any transactions with related parties during the year, other than transactions with fellow members of Rentokil Initial plc. Such transactions are exempt from disclosure under FRS 8.

21. CONTINGENT LIABILITIES

BET PLC has no guarantees in respect of a subsidiary's borrowing facility as at 31 December 2001 (2000: £133.9 million).

The company and certain subsidiary companies have, in the normal course of business, given performance guarantees in respect of the group's own contracts and, in connection with the disposal of businesses, have assumed certain contingent obligations. In addition, there are contingent liabilities in respect of litigation. None of these matters is expected to give rise to any material loss.