

Inspectorate Worldwide Services Limited
Annual report
for the year ended 31 December 2000



Inspectorate Worldwide Services Limited

Annual report for the year ended 31 December 2000

	Pages
Directors' report	1 - 2
Auditors' report	3
Profit and loss account	4
Balance sheet	5
Notes to the financial statements	6 - 12

Inspectorate Worldwide Services Limited

Directors' report for the year ended 31 December 2000

The directors present their report and the audited financial statements of the company for the year ended 31 December 2000.

Principal activities

The principal activity of the company is inspection and testing services, specifically pre-shipment inspection of manufactured and consumer goods for export.

Review of business and future developments

The company has seen substantial growth in pre-shipment government contract activity during 2000. The directors anticipate that this level of activity will be maintained during 2001.

Directors

The directors of the company who served during the year ended 31 December 2000 are listed below:

W J Luesley	(resigned 26 July 2000)
D Wright	
J Siebols	
R Mort	(appointed 27 October 2000)
S Williams	(appointed 27 October 2000)

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 2000.

Insurance of directors

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

Inspectorate Worldwide Services 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 2000. The directors also confirm that applicable accounting standards have been followed and that the financial statements have been prepared on the going concern basis.

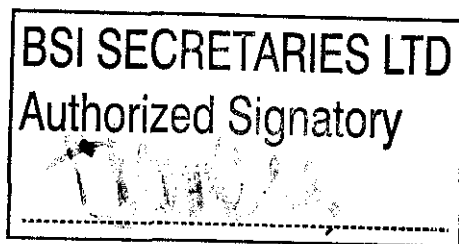
The directors are responsible for keeping proper accounting records, for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

A resolution to reappoint the auditors, PricewaterhouseCoopers, will be proposed at the Annual General Meeting.

By order of the board

Company secretary



Inspectorate Worldwide Services Limited

Auditors' report to the members of Inspectorate Worldwide Services Limited

We have audited the financial statements on pages 4 to 12.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the annual report including as described on page 2, preparing the financial statements, in accordance with applicable United Kingdom accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and our profession's ethical guidance.

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 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 group's circumstances, consistently applied and adequately disclosed.

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

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 December 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


PricewaterhouseCoopers

Chartered Accountants and Registered Auditors

Cambridge

7 June 2001

Inspectorate Worldwide Services Limited

Profit and loss account for the year ended 31 December 2000

	Notes	2000 £000	1999 £000
Turnover	1	8,164	4,703
Cost of sales		(5,262)	(3,429)
Gross profit		2,902	1,274
Administrative expenses		(1,852)	(470)
Operating profit		1,050	804
Interest payable and similar charges		(18)	-
Profit on ordinary activities before taxation	5	1,032	804
Tax on profit on ordinary activities	6	(152)	-
Retained profit for the financial year	12, 13	880	804

All activities relate to continuing operations.

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

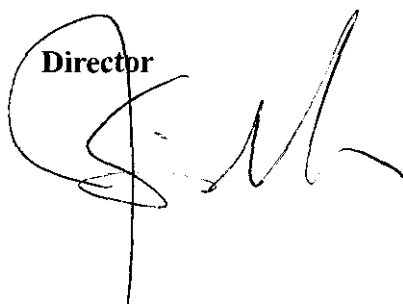
There is no difference between the profit on ordinary activities before taxation and the retained profit for the year stated above, and their historical cost equivalents.

Inspectorate Worldwide Services Limited

Balance sheet at 31 December 2000

	Notes	2000 £000	1999 £000
Fixed assets			
Tangible fixed assets	7	<u>42</u>	<u>15</u>
Current assets			
Debtors	8	5,429	4,199
Cash at bank and in hand		<u>722</u>	<u>248</u>
		6,151	4,447
Creditors: amounts falling due within one year	9	<u>(4,243)</u>	<u>(3,392)</u>
Net current assets		<u>1,908</u>	<u>1,055</u>
Net assets		<u>1,950</u>	<u>1,070</u>
Capital and reserves			
Called up share capital	11	-	-
Profit and loss account	12	<u>1,950</u>	<u>1,070</u>
Equity shareholders' funds	13	<u>1,950</u>	<u>1,070</u>

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

Director


5th June 2001

Inspectorate Worldwide Services Limited

Notes to the financial statements for the year ended 31 December 2000

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.

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 (revised 1996), 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.

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.

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

The assets and liabilities of overseas branches are translated at the closing rates and the profit and loss accounts at average exchange rates. Exchange differences arising on these translations are taken to reserves, net of exchange differences arising on related foreign currency borrowings.

Deferred taxation

Provision is made for deferred taxation, using the liability method, on all material timing differences to the extent that it is probable that a liability or asset will crystallise.

Inspectorate Worldwide Services Limited

Operating leases

Costs in respect of operating leases are charged on a straight line basis over the lease term.

Tangible fixed assets

The cost of tangible fixed assets is their purchase cost, together with any incidental costs of acquisition.

Depreciation is calculated so as to write off the cost of tangible fixed assets, less their estimated residual values, on a straight line basis over the expected useful economic lives of the assets concerned. The principal annual rates used for this purpose are:

	%
Computer equipment	33
Office furniture & equipment	20

Turnover

Turnover, which all arose from the company's principal activity of offering inspection and testing services, represents the invoice value of services provided and goods sold excluding value added tax.

These accounts do not contain an analysis of turnover by geographical area, as the directors believe that this information would be seriously prejudicial to the interests of the company.

Pension scheme arrangements

The company operates a defined contribution pension scheme. Contributions payable by the company on behalf of employees are charged to the profit and loss account.

2 Employee information

The average monthly number of persons employed by the company (including directors) during the year, was as follows:

	Number of employees	
	2000	1999
Operations	9	6
Administration	2	2
	<u>11</u>	<u>8</u>

Inspectorate Worldwide Services Limited

2 Employee information (continued)

Staff costs (for the above persons):

	2000 £000	1999 £000
Wages and salaries	210	194
Social security costs	21	18
Other pension costs (see note 10)	10	16
	<u>241</u>	<u>228</u>

3 Directors' emoluments

	2000 £000	1999 £000
Aggregate emoluments	72	74
Pension contributions	3	4
	<u>75</u>	<u>78</u>

Pension contributions are accruing to one (1999: one) director under a money purchase scheme.

4 Interest payable and similar charges

	2000 £000	1999 £000
Bank loans and overdrafts	<u>18</u>	<u>-</u>

5 Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging:

	2000 £000	1999 £000
Depreciation charge for the year		
Tangible owned fixed assets	13	9
Hire of premises – operating leases	32	30
Auditors' remuneration for audit services	<u>6</u>	<u>5</u>

Inspectorate Worldwide Services Limited

6 Tax on profit on ordinary activities

	2000 £000	1999 £000
United Kingdom corporation tax at 30% (1999: 30.25%)	<u>152</u>	<u>-</u>

There was no tax charge in 1999 due to the availability of group relief.

7 Tangible fixed assets

	Computer equipment £000	Motor vehicles £000	Fixtures and fittings £000	Total £000
Cost				
At 1 January 2000	14	-	10	24
Additions	<u>14</u>	<u>14</u>	<u>12</u>	<u>40</u>
At 31 December 2000	<u>28</u>	<u>14</u>	<u>22</u>	<u>64</u>
Accumulated depreciation				
At 1 January 2000	6	-	3	9
Charge for the year	<u>10</u>	<u>-</u>	<u>3</u>	<u>13</u>
At 31 December 2000	<u>16</u>	<u>-</u>	<u>6</u>	<u>22</u>
Net book value				
At 31 December 2000	<u>12</u>	<u>14</u>	<u>16</u>	<u>42</u>
At 31 December 1999	<u>8</u>	<u>-</u>	<u>7</u>	<u>15</u>

8 Debtors

	2000 £000	1999 £000
Trade debtors	2,872	2,399
Amounts owed by group undertakings	1,904	1,733
Other debtors	48	20
Prepayments and accrued income	<u>605</u>	<u>47</u>
	<u>5,429</u>	<u>4,199</u>

Inspectorate Worldwide Services Limited

9 Creditors: amounts falling due within one year

	2000 £000	1999 £000
Bank loans and overdrafts	1,493	-
Trade creditors	59	252
Amounts owed to participating interests of the group	42	14
Amounts owed to group undertakings	1,525	3,058
Corporation tax	152	-
Other creditors	14	-
Accruals and deferred income	958	68
	<u>4,243</u>	<u>3,392</u>

10 Pension obligations

The company operates a money purchase pension scheme. The pension cost charge for the year amounted to £10,000 (1999: £16,000). No amounts (1999: £Nil) remained unpaid at the year-end.

11 Called up share capital

	2000 £	1999 £
Authorised		
50 ordinary shares of £1 each	<u>50</u>	<u>50</u>
Allotted, called up and fully paid		
2 ordinary shares of £1 each	<u>2</u>	<u>2</u>

12 Reserves

	Profit and loss account £000
At 1 January 2000	1,070
Retained profit for the financial year	880
At 31 December 2000	<u>1,950</u>

Inspectorate Worldwide Services Limited

13 Reconciliation of movements in shareholders' funds

	2000 £000	1999 £000
Opening shareholders' funds	1,070	266
Profit for the financial year	880	804
Closing shareholders' funds	<u>1,950</u>	<u>1,070</u>

14 Financial commitments

At 31 December 2000, the company had annual commitments under a non-cancellable operating lease as follows:

	2000 £000	1999 £000
Land and buildings		
Expiring in the second to fifth years inclusive	<u>30</u>	<u>30</u>

Along with other group undertakings, the company has guaranteed certain loans of the British Standards Institution, which at 31 December 2000 amounted to approximately £29m, and the bank overdrafts of certain other group undertakings, which at 31 December 2000 amounted to £Nil (1999: £Nil).

15 Related party transactions

Details of transactions with undertakings in which the group has a participating interest are stated below:

	2000		1999	
	Value of transactions £000	Payable at year end £000	Value of transactions £000	Payable at year end £000
Related party				
Inspectorate (Malaysia) Sdn				
Trade purchases	26	-	-	-
Inspectorate Griffith (Chile) S.A.				
Trade purchases	233	193	-	-
Inspectorate Griffith (India) Ltd				
Trade purchases	-	-	36	12

Inspectorate Worldwide Services Limited

16 Immediate and ultimate parent undertaking

The company is a wholly-owned subsidiary of Daniel C Griffith Holdings Limited, 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.