

PHONOTAS SERVICES LIMITED

DIRECTORS' REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 1999

REGISTERED NUMBER: 2392884



PHONOTAS SERVICES LIMITED

REPORT OF THE DIRECTORS

The directors submit their annual report, together with the financial statements of the company for the year ended 31 December 1999.

PROFIT AND LOSS ACCOUNT

During the year the company has not traded, has not incurred any liabilities and, consequently, has made neither profit nor loss.

PRINCIPAL ACTIVITY

The company did not trade during the year.

YEAR 2000

Our programme to ensure that our IT software and hardware would function through the year end 1999 into the year 2000 was completed successfully within normal IT budgets and no problems were encountered.

DIRECTORS

The directors who served during the year were:

Grayston Central Services Limited
Plant Nominees Limited

Neither Grayston Central Services Limited nor Plant Nominees Limited held any beneficial interests in the share capital of the company or of Rentokil Initial plc at either 1 January 1999 or 31 December 1999.

PHONOTAS SERVICES LIMITED

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 period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- follow applicable accounting standards;
- prepare the financial statements on a going concern basis.

The directors confirm that they have complied with the above requirements in preparing the financial statements. The directors are responsible for ensuring that the company keeps 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 for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

The company is now dormant and a resolution will be put to the members that the company avails itself of the exemption from audit permitted under Section 250 of the Companies Act 1985.

By order of the board



Authorised Representative
Plant Nominees Ltd

Plant Nominees Limited
Secretary

Garland Road
East Grinstead
West Sussex
RH19 2DR

22 March 2000

AUDITORS' REPORT TO THE MEMBERS OF

PHONOTAS SERVICES LIMITED

We have audited the financial statements on pages 4 and 5 which have been prepared under the historical cost convention and the accounting policies set out on page 5.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the Annual Report. As described on page 2, this includes responsibility for 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 the 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 1999 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 6NN

22 March 2000

PHONOTAS SERVICES LIMITED

BALANCE SHEET AS AT 31 DECEMBER 1999

	<u>1999</u> £'000	<u>1998</u> £'000
DEBTORS - amounts owed by group undertakings	51	52
CREDITORS - amounts falling due within one year		
Corporation tax	-	(1)
TOTAL ASSETS LESS CURRENT LIABILITIES	<u>51</u>	<u>51</u>
EQUITY CAPITAL AND RESERVES		
AUTHORISED SHARE CAPITAL		
100,000 ordinary shares of £1 each	<u>100</u>	<u>100</u>
CALLED UP SHARE CAPITAL		
Allotted and fully paid ordinary shares of £1 each	50	50
PROFIT AND LOSS ACCOUNT	<u>1</u>	<u>1</u>
EQUITY SHAREHOLDERS' FUNDS (note 3)	<u>51</u>	<u>51</u>

PROFIT AND LOSS ACCOUNT

The company did not trade during this or the previous year. As a result it made neither a profit nor a loss in either year and a separate profit and loss account is not presented. In addition there were no other recognised gains or losses in either period and, accordingly, no separate statement of total gains and losses is presented.

Approved by the board on 22 March 2000



Grayston Central Services Limited
DIRECTOR

Authorised Representative
Grayston Central Services Ltd

The notes on page 5 form part of the financial statements

1. ACCOUNTING POLICIES

Basis of preparation

The company prepares its financial statements on the basis of historical cost. The company financial statements have been prepared in accordance with the Companies Act 1985 as amended by the Companies Act 1989 and applicable accounting standards.

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 (see note 5).

2. DIRECTORS AND EMPLOYEES

The company has no employees and accordingly there are no employee costs. The directors received no emoluments for services as directors of the company.

3. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	1999 £'000	1998 £'000
Opening and closing shareholders' funds	<u>51</u>	<u>51</u>

4. ULTIMATE PARENT COMPANY

The company's immediate parent company is BET UK Limited. The company's ultimate parent company is 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.

5. OTHER RELATED PARTY TRANSACTIONS

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