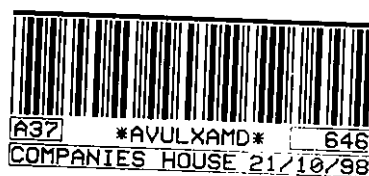


BET (NO 40) LIMITED

DIRECTORS' REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 1997

Registered Number 2392884



BET (No 40) LIMITED

REPORT OF THE DIRECTORS 1997

The directors submit their annual report, together with the accounts of the company for the year ended 31 December 1997.

PRINCIPAL ACTIVITY

During the year the company has received interest from other group companies but did not otherwise trade.

PROFIT AND LOSS ACCOUNT

The profit for the year, after taxation amounted to £2,000 (nine months ended 31 December 1996: £Nil). The directors do not recommend the payment of a dividend for the year (nine months ended 31 December 1996: £Nil) and the balance for the year of £2,000 (nine months ended 31 December 1996 £Nil) the directors propose to transfer to reserves.

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 1997 or 31 December 1997.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare accounts 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 accounts, 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 accounts on a going concern basis.

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 accounts 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.

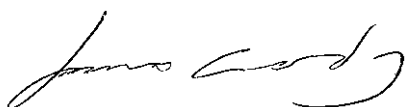
BET (No 40) LIMITED

REPORT OF THE DIRECTORS 1997

AUDITORS

Price Waterhouse were appointed as auditors to the company on 1 January 1997. They have indicated their willingness to continue as auditors to the company.

By order of the board



Authorised Representative
Plant Nominees Ltd.

Authorised Representative
Plant Nominees Limited
Secretary

Garland Road
East Grinstead
West Sussex
RH19 2 DR

20 March 1998

**AUDITORS' REPORT TO THE MEMBERS OF
BET (No 40) LIMITED**

We have audited the accounts on pages 4 to 7, which have been prepared under the historical cost convention and the accounting policies set out on page 6.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 1 the company's directors are responsible for the preparation of accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

OPINION

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 31 December 1997 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



Price Waterhouse
Registered Auditors
Southwark Towers
32 London Bridge Street
London
SE1 9SY

20 March 1998

BET (No 40) LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 1997

	<u>1997</u> £,000	<u>9 months ended</u> <u>31 December 1996</u> £,000
Interest receivable - group companies	<u>3</u>	-
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3	-
Taxation on profit on ordinary activities (Note 2)	(1)	-
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	<u>2</u>	-
RETAINED PROFIT FOR THE YEAR (Note 3)	<u>2</u>	-

Retained profits represent the total of all recognised gains and losses relating to the year and the corresponding period.

The notes on pages 6 and 7 form part of the accounts

BET (No 40) LIMITED

BALANCE SHEET AS AT 31 DECEMBER 1997

	<u>1997</u> £,000	<u>1996</u> £,000
DEBTORS - amounts owed by group companies	52	49
CREDITORS - corporation tax	<u>(1)</u>	<u>-</u>
	<u>51</u>	<u>49</u>
REPRESENTED BY:		
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 4)	<u>51</u>	<u>49</u>

Approved by the board on 20 March 1998



Authorised Representative
Grayston Central Services Ltd.

DIRECTOR
Authorised Representative
Grayston Central Services Limited

The notes on pages 6 and 7 form part of the accounts

BET (No 40) LIMITED

NOTES TO THE ACCOUNTS

1. ACCOUNTING POLICIES

Basis of Preparation

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

In accordance with paragraph 8c of FRS1, the company, being the wholly owned subsidiary of another company which prepares publicly available group accounts, has not prepared a cash flow statement itself.

Consolidated Accounts

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

2. TAXATION

Tax on the profit for the year comprises:

	<u>1997</u> £,000	<u>1996</u> £,000
UK corporation tax at 31.5% * (1996: 33%)	<u>1</u>	<u>-</u>

* On 1 April 1997 the corporation tax rate was reduced to 31%. This results in an average tax rate of 31.5% for the year.

3. PROFIT AND LOSS ACCOUNT

	<u>1997</u> £'000
At 1 January	(1)
Profit for the financial year	<u>2</u>
At 31 December	<u>1</u>

None of the directors received any emoluments in respect of their services to the company. The company's annual filing fees for the year ended 31 December 1997 have been borne by the immediate parent company.

BET (No 40) LIMITED

NOTES TO THE ACCOUNTS

4. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	<u>1997</u> £,000	<u>1996</u> £,000
Profit for the financial year	<u>2</u>	<u>-</u>
Addition to shareholders' funds	2	-
Opening shareholders' funds	<u>49</u>	<u>49</u>
Closing shareholders' funds	<u>51</u>	<u>49</u>

5. ULTIMATE PARENT COMPANY

The company's immediate parent company is BET UK plc.

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.

6. 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.