

**INTERNATIONAL CONSUMER RESEARCH
AND TESTING LIMITED**

Company No. 2447570

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31ST DECEMBER 2002**



International Consumer Research and Testing Limited

Report of the Directors

The directors have pleasure in presenting their report and financial statements for the year ended 31st December 2002.

Principal Activities

The principal activity of the company throughout the year continued to be the promotion of co-operation between its members and any national multinational or international organisations involved in or concerned with consumer matters; the regulation of research and testing consumer goods, services and other consumer issues; and the promotion and rendering of assistance in joint comparative testing by these organisations.

Overseas branches

The company has a branch based in Brussels, registered as a branch under Belgian law. The Belgian branch generates no turnover of its own.

Directors and their Interests

The directors who served the company during the year were:

Carl Heinz Moritz
Jean Louis Redon
Armand De Wasch (Chairman)
Kim Lavelly
Klaske De Jonge

None of the directors hold any beneficial interest in the shares of the company.

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 those 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 and prepare the financial statements on a going concern basis unless it is inappropriate to assume that 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 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

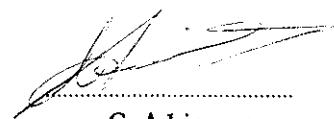
Kingston Smith have indicated their willingness to continue in office and in accordance with the provisions of the Companies Act it is proposed that they be re-appointed auditors to the company for the ensuing year.

Small Company Rules

These accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

By order of the Board

30 Angel Gate
City Road
London EC1V 2PT


G. Adriaenssens
Secretary

Date: 25th September 2003

Independent Auditors' Report to the Shareholders of International Consumer Research and Testing Limited

We have audited the financial statements of International Consumer Research and Testing Limited for the year ended 31st December 2002 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken for no purpose other than to draw to the attention of the company's members those matters which we are required to include in an auditor's report addressed to them. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the company and company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of Directors and Auditors

As described in the Statement of Directors' Responsibilities, the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

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

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 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 the directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any misstatement within it.

Basis of Audit Opinion

We conducted our audit in accordance with United Kingdom 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 estimated 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.

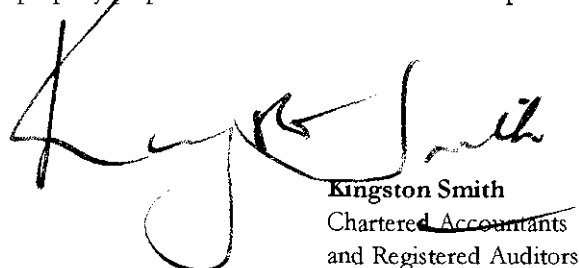
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity 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 31st December 2002 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Devonshire House
60 Goswell Road
London EC1M 7AD

Date: 25th September 2003



Kingston Smith
Chartered Accountants
and Registered Auditors

International Consumer Research and Testing Limited

Profit and Loss Account

For the year ended 31st December 2002

| | Note | 2002 £ | 2001 £ |
|----------------------------------------------------|------|-------------------------|-------------------------|
| Turnover | 2 | 373,230 | 349,016 |
| Administrative expenses | | (438,510) | (438,750) |
| Other operating expenses | | <u>13,366</u> | <u>(8,267)</u> |
| Operating Loss | 3 | (51,914) | (98,001) |
| Other interest receivable and similar income | | <u>781</u> | <u>2,961</u> |
| Loss on Ordinary Activities before Taxation | | (51,133) | (95,040) |
| Taxation | 5 | <u>(2,508)</u> | <u>-</u> |
| Loss for the year after Taxation | | (53,641) | (95,040) |
| Retained loss brought forward | | <u>(113,546)</u> | <u>(18,506)</u> |
| Retained Loss Carried Forward | | <u><u>(167,187)</u></u> | <u><u>(113,546)</u></u> |

The notes on pages 5 to 8 form part of these accounts.

International Consumer Research and Testing Limited

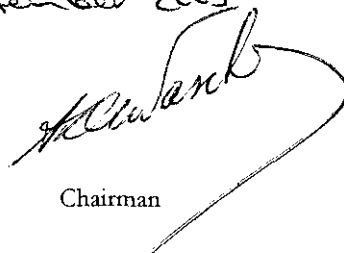
Balance Sheet at 31st December 2002

| | Notes | 2002 £ | 2002 £ | 2001 £ | 2001 £ |
|-------------------------------------------------------|-------|------------------|----------------------|------------------|----------------------|
| Fixed Assets | | | | | |
| Tangible assets | 6 | | 32,266 | | 16,113 |
| Current Assets | | | | | |
| Debtors | 7 | 307,174 | | 492,338 | |
| Cash at bank and in hand | | <u>170,740</u> | | <u>192,179</u> | |
| | | 477,915 | | 684,517 | |
| Creditors: Amounts falling due within one year | 8 | <u>(449,676)</u> | | <u>(688,606)</u> | |
| Net Current Assets/(Liabilities) | | | <u>28,238</u> | | <u>(4,089)</u> |
| Net Assets | | | <u><u>60,504</u></u> | | <u><u>12,024</u></u> |
| Capital and Reserves | | | | | |
| Called up share capital | 9 | | 227,691 | | 125,570 |
| Profit and loss account | | | <u>(167,187)</u> | | <u>(113,546)</u> |
| Shareholders' Funds | | | <u><u>60,504</u></u> | | <u><u>12,024</u></u> |

These accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

Approved by the board on
and signed on its behalf by:

27th September 2003



Chairman

Armand De Wasch

The notes on pages 5 to 8 form part of these accounts.

International Consumer Research and Testing Limited

Notes to the Financial Statements For the year ended 31st December 2002

1 Accounting Policies

Accounting Basis and Standards

The financial statements have been prepared under the historical cost convention .

Basis of Preparing the Financial Statements

The financial statements have been prepared on a going concern basis which is considered appropriate in the light of continuing support of shareholders.

Depreciation

Depreciation on fixed assets is provided at rates estimated to write off the cost, less estimated residual value of each asset over its expected useful life as follows:

| | |
|-------------------------------|------------|
| Computer equipment | 3 years |
| Office furniture and fittings | 3 -5 years |

Turnover

Membership Fees

This represents the value, net of value added tax of membership fees earned during the period and is credited to the profit and loss account on an accruals basis.

Research Income

European Union - Direct Funded Projects

Research income received from the European Union to fund projects undertaken directly by ICRT is credited to turnover on a percentage basis indicative of the stage of completion of the project.

Research income received during the period but which relates to future years work is treated as deferred income.

Other Projects

ICRT acts as an agent for the management of projects and as such only the management portion of project income is included as income.

Deferred Taxation

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

Foreign Currencies

Transactions denominated in foreign currencies are translated into Sterling at the rate of exchange ruling at the end of the month in which the transaction took place. Assets and liabilities in foreign currencies are translated into Sterling at rates of exchange ruling at the end of the financial year. All exchange differences are dealt with in the profit and loss account and included in other operating income/expenses.

Leasing Commitments

Rentals paid under operating leases are charged to income on a straight line basis over the lease term.

Pension Costs

The company makes pension contributions for its employees to a defined contribution pension scheme at the rate of 10% of salary paid.

International Consumer Research and Testing Limited

Notes to the Financial Statements

For the year ended 31st December 2002 (Continued)

| 2 | Turnover | 2002 £ | 2001 £ |
|---|----------------------------------|-----------|-----------|
| | Turnover is analysed as follows: | | |
| | Membership fees | 274,292 | 225,469 |
| | Research income | 98,938 | 123,547 |
| | Total | 373,230 | 349,016 |

Approximately 90% of turnover arises from fees from organisations outside the United Kingdom.

| 3 | Operating Loss | 2002 £ | 2001 £ |
|---|----------------------------------------------|-----------|-----------|
| | The operating loss is stated after charging: | | |
| | Auditors' remuneration | 4,200 | 3,800 |
| | Depreciation - owned tangible fixed assets | 13,354 | 9,600 |
| | Operating lease rentals - land and buildings | 10,494 | 10,494 |
| | Foreign exchange losses | (13,366) | 8,267 |

| 4 | Staff Costs | 2002 £ | 2001 £ |
|---|----------------------------------|-----------|-----------|
| | Included within staff costs are: | | |
| | Pension costs | 22,715 | 16,516 |

At 31st December 2002 pension contributions outstanding amounted to £56 (2001 - £945).

No director received any emoluments during the year (2001 - Nil).

5 Taxation

The company has no profits which are subject to United Kingdom corporation tax. An arrangement has been entered into with the Belgian tax authorities by which the taxation charge is calculated as a proportion of local salaries.

| 6 | Tangible Assets | Computer Equipment £ | Office Furniture £ | Total £ |
|---|-----------------------|----------------------------|--------------------------|------------|
| | Cost | | | |
| | At 1st January 2002 | 28,188 | 4,725 | 32,913 |
| | Additions | 25,122 | 4,385 | 29,507 |
| | At 31st December 2002 | 53,310 | 9,110 | 62,420 |
| | Depreciation | | | |
| | At 1st January 2002 | 15,173 | 1,627 | 16,800 |
| | Charge for the year | 12,021 | 1,333 | 13,354 |
| | At 31st December 2002 | 27,194 | 2,960 | 30,154 |
| | Net Book Value | | | |
| | At 31st December 2002 | 26,116 | 6,150 | 32,266 |
| | At 31st December 2001 | 13,015 | 3,098 | 16,113 |

International Consumer Research and Testing Limited

Notes to the Financial Statements

For the year ended 31st December 2002 (Continued)

| 7 Debtors | 2002 | 2001 |
|----------------------------------------------|----------------|----------------|
| | £ | £ |
| Trade debtors: amounts due from shareholders | 166,050 | 234,040 |
| : others | 2,849 | 797 |
| Other debtors | 109,795 | 135,240 |
| Prepayments and accrued income | 15,077 | 111,700 |
| VAT recoverable | 13,403 | 10,561 |
| | <u>307,174</u> | <u>492,338</u> |

| 8 Creditors: Amounts falling due within one year | 2002 | 2001 |
|--------------------------------------------------|----------------|----------------|
| | £ | £ |
| Trade creditors - amounts owed to shareholders | 56,094 | 65,938 |
| - other | 167,432 | 257,407 |
| Social security and other taxes | 3,989 | 7,562 |
| Other creditors | 9,292 | 3,565 |
| Accruals and deferred income | 212,869 | 354,134 |
| | <u>449,676</u> | <u>688,606</u> |

9 Share Capital

| The share capital comprises: | 2002 | 2001 |
|---------------------------------------|----------------|----------------|
| | £ | £ |
| Authorised: | | |
| 6 Ordinary 'A' shares of £25,000 each | 150,000 | 150,000 |
| 20 Ordinary 'B' shares of £9,326 each | 186,520 | 900 |
| 20 Ordinary 'C' shares of £15 each | 300 | 300 |
| | <u>336,820</u> | <u>151,200</u> |
| Issued and Fully Paid: | | |
| 5 Ordinary 'A' shares of £25,000 each | 125,000 | 125,000 |
| 11 Ordinary 'B' shares of £9,326 each | 102,586 | 495 |
| 5 Ordinary 'C' shares of £15 each | 105 | 75 |
| | <u>227,691</u> | <u>125,570</u> |
| Called Up Share Capital | <u>227,691</u> | <u>125,570</u> |

All shares rank equally for dividends and in winding up 'A' and 'B' shares may vote on any resolution at a general meeting. 'C' shares may only vote on resolutions for winding up, changing the Memorandum or Articles, or altering the share capital and otherwise do not have the right to vote at a general meeting. A holder of an 'A' share is entitled to exercise six votes on any matter on which they are entitled to vote at any general meeting. A holder of 'B' shares and a holder of a 'C' share is entitled to one vote on any matter which they are entitled to vote at any general meeting.

In September 2002 the company passed a special resolution increasing the nominal share capital of the company to £336,820 by the cancellation of the existing 'B' shares of £45 each and creation of twenty new 'B' shares of £9,326 each. Eleven new 'B' shares were issued in the year. Also during the year two additional 'C' shares were issued. All transactions were at par value.

International Consumer Research and Testing Limited
Notes to the Financial Statements
For the year ended 31st December 2002 (Continued)

10 Future Financial Commitments

Operating Leases

At 31st December 2002 the company had annual commitments under operating leases as set out below:

| | Land and Buildings 2002 £ | Land and Buildings 2001 £ |
|--------------------------------|------------------------------------|------------------------------------|
| Operating leases which expire: | | |
| within one year | 1,749 | - |
| in the second to fifth year | <u>-</u> | <u>10,494</u> |

11 Related Party Transactions

During the year the company undertook the following transactions with its shareholders:

| | Member Status | Membership Fee £ | Trade Purchases £ | Trade Creditors as at 31.12.02 £ | Trade Sales/ Recharges £ | Trade Debtors as at 31.12.02 £ |
|-----------------------------------------|------------------|------------------------|-------------------------|----------------------------------------------|-----------------------------------|--------------------------------------------|
| Consumers Association (CA) | A | 30,531 | - | - | 230,460 | 33,346 |
| Consumentenbond (CB) | A | 30,531 | 5,123 | - | 477,457 | 15,381 |
| Stiftung Warentest (SW) | A | 30,531 | 809 | - | 277,491 | 39,442 |
| Corseur Group (VU, EDI, EDD, EAC) | A | 40,656 | - | (56,094) | 579,983 | - |
| Union Federale des Consommateurs B/A | A | 18,375 | - | - | 160,120 | 10,872 |

Consumers' Association has charitable status.

During the period, the following transactions were recorded relating to 'B' members: Membership fees £27,000; Flat fees £85,175; Trade sales £71,717; Nordic charge £13,935; trade debtors as at 31.12.02 £33,460 (EDI, EDO, EAC inc with VU for membership fees and trade debtors at 31.12.02) and unpaid share capital £97,939.

During the period, the following transactions were recorded relating to 'C' members: Membership fees £5,781; Flat Fees £5,712; Nordic charge £1,991; Trade sales £46,169; trade debtors at 31.12.02 £33,549.