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**INTERNATIONAL CONSUMER RESEARCH AND TESTING
LIMITED**

Company No. 2447570

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31ST DECEMBER 1999**



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 1999.

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.

Results

The results of the company for the year are set out on page 3. Turnover was £230,900 which represents a 72 percent reduction on 1998. This was due to the significant decrease in the number and size of EC projects undertaken in the period.

The directors do not recommend the payment of a dividend as the funds of the company are fully employed.

Directors and their Interests

The directors who served the company during the year were:

Werner Brinkmann

Felix Cohen

Armand De Wasch (Chairman)

Sheila McKechnie

Kim Lavelly (Alternate to Sheila McKechnie appointed 12th October 1999)

David Roberts (Alternate to Sheila McKechnie resigned 23rd April 1999)

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

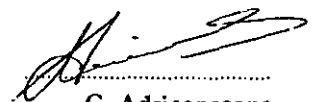
Auditors

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.

On behalf of the Board



G. Adriaenssens
Secretary

30 Angel Gate
City Road
London EC1V 2PT

Date: 10th October 2000

International Consumer Research and Testing Limited

Directors' Responsibilities and Report of the Auditors

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' Report to the Members of International Consumer Research and Testing Limited

We have audited the financial statements on pages 3 to 8 which have been prepared under the historical cost convention and the accounting policies set out on page 5.

Respective Responsibilities of the Directors and Auditors

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

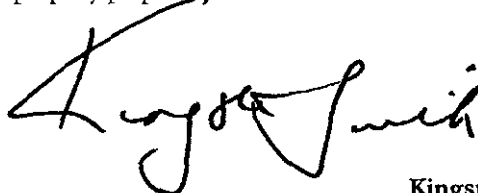
Basis of Opinion

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 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 31st December 1999 and of its loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



Kingston Smith
Chartered Accountants
and Registered Auditors

Devonshire House
60 Goswell Road
London EC1M 7AD

Date:

13/10/00

International Consumer Research and Testing Limited

Profit and Loss Account

For the year ended 31st December 1999

	Note	1999 £	1998 £
Turnover	2	230,900	818,484
Cost of sales		<u>(35,496)</u>	<u>(594,051)</u>
Gross Profit		195,404	224,433
Administrative expenses		(247,954)	(298,001)
Other operating income/(expenses)		<u>(5,618)</u>	<u>21,862</u>
Operating Loss	3	(58,168)	(51,706)
Interest receivable	4	<u>11,729</u>	<u>24,286</u>
Loss on Ordinary Activities before Taxation		(46,439)	(27,420)
Taxation	6	<u>-</u>	<u>3,482</u>
Loss for the Year transferred from Reserves	10	<u><u>(46,439)</u></u>	<u><u>(23,938)</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 1999

	Notes	1999 £	1999 £	1998 £	1998 £
Fixed Assets					
Tangible assets	7		3,464		5,234
Current Assets					
Debtors	8	62,333		344,642	
Cash at bank and in hand		<u>195,677</u>		<u>421,312</u>	
		258,010		765,954	
Creditors: Amounts falling due within one year	9	<u>(280,564)</u>		<u>(743,839)</u>	
Net Current (Liabilities)/Assets			<u>(22,554)</u>		<u>22,115</u>
Net (Liabilities)/Assets			<u>(19,090)</u>		<u>27,349</u>
Capital and Reserves					
Called up share capital	10		1,635		1,635
Profit and loss account	10		<u>(20,725)</u>		<u>25,714</u>
Shareholders' Funds	10		<u>(19,090)</u>		<u>27,349</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.

Approved by the board on 10/10/2000
and signed on its behalf by:

DE WASH


Chairman

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 1999

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. At the balance sheet date, the company had net liabilities of £19,090 and its unaudited records for the ensuing period show that it continued to fund its activities by meeting its day to day working capital requirements through support from its shareholders.

Based on the assurances that this support will continue for the foreseeable future, the directors considers that the going concern basis is therefore appropriate.

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	5 years

Turnover

This represents the value, net of value added tax, of membership fees and research income earned during the 12 months. Membership income is credited to the profit and loss account on an accruals basis. Research income 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.

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 date of the transaction. 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 and Hire Purchase Commitments

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

Pension Costs

The pension contributions made by the company are charged against profits on an accruals basis.

2 Turnover

Turnover is analysed as follows:

	1999	1998
	£	£
Membership fees	178,214	154,630
Research income	52,686	663,854
Total	<u>230,900</u>	<u>818,484</u>

International Research and Testing Limited
Notes to the Financial Statements
For the year ended 31st December 1999 (Continued)

3 Operating Loss	1999	1998
	£	£
The operating loss is stated after charging:		
Auditors' remuneration	3,500	4,800
Depreciation - owned tangible fixed assets	1,770	357
Operating lease rentals - land and buildings	32,665	13,168
	<u>32,665</u>	<u>13,168</u>
 4 Interest Receivable	 1999	 1998
	£	£
Interest on deposits	11,729	24,286
	<u>11,729</u>	<u>24,286</u>
 5 Staff Costs	 1999	 1998
	£	£
Wages and salaries	107,591	148,756
Social security costs	3,988	14,876
Pension costs	4,950	10,883
	<u>116,529</u>	<u>174,515</u>

The company employed 3 persons (1998 - 6) during the period. Due to the size of the company there is no formal classification of duties between the staff.

No director received any emoluments during the year (1998 - Nil).

6 Taxation	1999	1998
	£	£
Corporation tax (payable)/repayable	-	3,482
	<u>-</u>	<u>3,482</u>

As a result of the loss arising during the period there is no corporation tax payable.

7 Tangible Assets	Computer Equipment	Office Furniture	Total
	£	£	£
Cost			
At 1st January 1999 and 31st December 1999	4,891	700	5,591
 Depreciation			
At 1st January 1999	310	47	357
Charge for the year	1,630	140	1,770
	<u>1,940</u>	<u>187</u>	<u>2,127</u>
At 31st December 1999	1,940	187	2,127
 Net Book Value			
At 31st December 1999	2,951	513	3,464
At 31st December 1998	4,581	653	5,234

International Research and Testing Limited
Notes to the Financial Statements
For the year ended 31st December 1999 (Continued)

8 Debtors	1999	1998
	£	£
Trade debtors: amounts due from shareholders	35,771	36,153
Other debtors	-	5,242
Prepayments and accrued income	21,146	296,336
VAT recoverable	1,934	3,429
Corporation tax recoverable	3,482	3,482
	<u>62,333</u>	<u>344,642</u>

9 Creditors: Amounts falling due within one year	1999	1998
	£	£
Trade creditors - amounts owed to shareholders	4,058	293,868
- other	13,047	3,652
Social security and other taxes	3,941	3,849
Other creditors - amounts owed to shareholders	9,000	157,900
- other	-	115
Accruals and deferred income	250,518	284,405
	<u>280,564</u>	<u>743,789</u>

10 Shareholders' Funds

1999	Share Capital £	Profit and Loss Account £	Total £
Balance at 1st January 1999	1,635	25,714	27,349
Transfer from profit and loss account	-	(46,439)	(46,439)
Balance at 31st December 1999	<u>1,635</u>	<u>(20,725)</u>	<u>(19,090)</u>
The share capital comprises:		1999	1998
		£	£
Authorised:			
6 Ordinary 'A' shares of £270 each		1,620	1,620
20 Ordinary 'B' shares of £45 each		900	900
20 Ordinary 'C' shares of £15 each		300	300
Issued and Fully Paid:			
4 Ordinary 'A' shares of £270 each		1,080	1,080
9 Ordinary 'B' shares of £45 each		405	405
10 Ordinary 'C' shares of £15 each		150	150
Called Up Share Capital		<u>1,635</u>	<u>1,635</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.

International Research and Testing Limited
Notes to the Financial Statements
For the year ended 31st December 1999 (Continued)

10 Shareholders' Funds (Continued)

The movements in reserves in the previous year are set out below:

1998	Share Capital £	Profit and Loss Account £	Total £
Balance at 1st January 1998	1,620	49,652	51,272
Transfer from profit and loss account	-	(23,938)	(23,938)
Allotment of shares	15	-	15
Balance at 31st December 1998	<u>1,635</u>	<u>25,714</u>	<u>27,349</u>

11 Future Financial Commitments

Operating Leases

At 31st December 1999 the company had annual commitments under operating leases as set out below:

	Land and Buildings 1999 £	Land and Buildings 1998 £
Operating leases which expire:		
within one year	32,665	-
in the second to fifth year	<u>15,741</u>	<u>32,665</u>

12 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 31.12.99 £	Trade Sales £	Trade Debtors as at 31.12.99 £
Consumers Association (CA)	A	13,912	11,529	1,727	26,268	4,582
Consumentenbond (CB)	A	13,912	-	257	25,812	4,317
Stiftung Warentest (SW)	A	13,912	-	651	29,784	3,887
Verbruikersunie (VU)	A	13,912	398	-	46,224	15,887

Consumers' Association has charitable status.

ICRT paid the Consumer's Association (CA) £15,099 (1998 - £12,077) to cover the cost of providing office accommodation, facilities and administrative support. During the period, CA paid many of its operational costs for which it was subsequently fully reimbursed.

During the period, the following transactions were recorded relating to 'B' members: Membership fees £26,172; Trade purchases £644; Trade sales £106,113.

During the period, the following transactions were recorded relating to 'C' members: Membership fees £10,260; Trade purchases £Nil; Trade sales £15,704.