

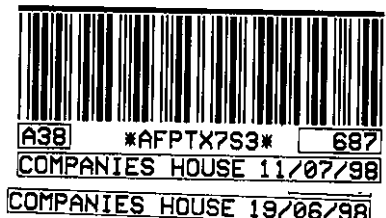
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International Consumer Research and Testing Limited

Directors' Report and Accounts for the 18 Months Ended 31 December 1997

Company Registration Number: 2447570

**Registered Address:
65 New Cavendish Street
London
W1M 8AX**



International Consumer Research and Testing Limited

Report of the Directors

The directors herewith submit their report and the accounts for the 18 months ended 31 December 1997.

Activities of the Company

The principal activities of the company are 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.

Change of Year-End

The company changed its year end from June to December. These accounts therefore cover an eighteen month period.

Financial Results

Turnover for the 18 months ended 31 December 1997 was £1,370,859. The 12 month equivalent represents a 6.4% increase over the 1995/96 figure (£858,664). This was due to the number and size of projects undertaken in this period, improved procedures for processing the IT project charge and increased revenue from interest on held balances during the period. The surplus for the period after taxation was £31,278 (1995/96: £21,143). The directors are confident that the company's level of activity will be maintained in the next financial year.

Directors

The directors who served during the 18 months ended 31 December 1997 were:

Werner Brinkman

Armand De Wasch (Chairman from 1 January 1998)

Sheila McKechnie

Dave Roberts (Chairman to 31 December 1997 & alternate director to S. McKechnie)

Dick Westendorp

None of the directors held an interest in the shares of the company at any time during the period.

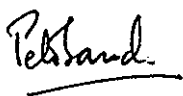
Responsibilities of the Directors

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 that reasonable and prudent judgements and estimates have been made in the preparation of the financial statements for the 18 months ended 31 December 1997. 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.

By Order of the Board



Secretary

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

We have audited the financial statements on pages 3 to 9.

Responsibilities of the Directors and the Auditors

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

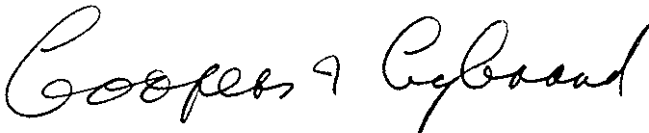
Basis of Opinion

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 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 1997, and of its surplus for the 18 months then ended and have been properly prepared in accordance with the Companies Act 1985.



Coopers & Lybrand
Chartered Accountants and Registered Auditors
London

7 April 1998

International Consumer Research and Testing Limited

Profit and Loss Account for the 18 Months Ended 31 December 1997

	Note	December 1997 £	June 1996 £
Turnover	2	1,370,859	858,664
Cost of Sales		(1,093,338)	(705,334)
		<hr/>	<hr/>
Gross Surplus		277,521	153,330
Administrative Expenses		(273,384)	(153,585)
		<hr/>	<hr/>
Operating Surplus / (Deficit)		4,137	(255)
Interest Receivable	3	38,568	18,069
		<hr/>	<hr/>
Surplus on Ordinary Activities			
Before Taxation	4	42,705	17,814
Taxation (Payable) / Refund	5	(11,427)	3,329
		<hr/>	<hr/>
Surplus on Ordinary Activities After Taxation		31,278	21,143
Accumulated Surplus / (Deficit) B/Fwd at 1 July 1996		18,374	(2,769)
		<hr/>	<hr/>
Accumulated Surplus C/Fwd at 31 December 1997		49,652	18,374
		<hr/>	<hr/>

The figures above relate entirely to continuing operations.

The company has no recognised gains or losses other than those included in the results above, and therefore no separate statement of recognised gains and losses has been presented.

There is no difference between the surplus on ordinary activities before taxation for the 18 months and the retained surplus for the 18 months stated above and their historical equivalent.

International Consumer Research and Testing Limited

Balance Sheet as at 31 December 1997

	Note	December 1997 £	June 1996 £
Current Assets			
Debtors	7	299,247	239,985
Cash at Bank & in Hand		503,500	426,315
		<hr/>	<hr/>
		802,747	666,300
Creditors			
Amounts falling due within one year	8	(751,475)	(646,381)
		<hr/>	<hr/>
Net Assets		51,272	19,919
		<hr/>	<hr/>
Share Capital & Reserves			
Share Capital	9	1,620	1,545
Profit and Loss Account		49,652	18,374
		<hr/>	<hr/>
Equity Shareholders' Funds	10	51,272	19,919
		<hr/>	<hr/>

Approved by the Board on 27 March 98 and signed on its behalf by

J Roberts Director.

The notes on pages 5 to 9 form part of these accounts

International Consumer Research and Testing Limited

Notes to the Accounts

1. *Principal Accounting Policies*

The accounts 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 accounts are prepared under the historical cost convention.

Cash Flow Statement

The company qualifies as a small company under the provisions of Section 247 of the Companies Act 1985. As a consequence, it is exempt from the requirement to publish a cash flow statement.

Turnover

This represents the value, net of Value Added Tax, of membership fees and research income earned during the 18 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.

Research Expenditure

Expenditure incurred on research is written off as incurred.

Foreign Currency Amounts

Balances in foreign currencies are translated at rates of exchange ruling at the balance sheet date. Transactions during the period are translated at the rate ruling on the day the transaction is completed. All exchange differences arising are reflected in the profit and loss account.

Pension Costs

Pension costs are charged to the profit and loss account in the period in which the premiums are paid.

2. *Turnover*

Turnover is analysed as follows:

	December 1997 £	June 1996 £
Membership Fees	212,386	120,654
Research Income	1,158,473	738,010
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Total	1,370,859	858,664
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3. *Interest Receivable*

Interest on deposits	38,568	18,069
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International Consumer Research and Testing Limited

Notes to the Accounts

	December 1997 £	June 1996 £
4. Surplus on Ordinary Activities Before Tax		
The Surplus on ordinary activities before taxation is stated after charging/(crediting):		
Auditors' Remuneration	3,800	3,000
Foreign Exchange Gain	(20,392)	-
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5. Taxation		
Taxation is charged at 22.5% (1995/96: 25%) on the profits for the 18 months		
Corporation Tax Payable / (Refund) in respect of current period	11,427	(2,468)
Corporation Tax Refund in respect of prior year	-	(861)
	<hr/>	<hr/>
	11,427	(3,329)
	<hr/>	<hr/>
6. Employees		
Apart from the directors, the company employed 5 persons (1995/96:5) during the period.		
Wages and Salaries	166,366	98,049
Social Security Costs	16,412	9,700
Pension Costs	13,716	5,842
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	196,494	113,591
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No Director received any emoluments in respect of either accounting period.

The pension contributions are in respect of a defined contribution scheme.

International Consumer Research and Testing Limited

Notes to the Accounts

7. Debtors	December 1997 £	June 1996 £
<i>Amounts falling due within one year</i>		
Trade Debtors	68,692	29,670
Other Debtors	1,166	2,992
Accrued Income	228,805	204,855
Corporation Tax Due	-	2,468
VAT Recoverable	584	-
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	299,247	239,985
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All of the trade debtors consists of amounts due from the company's shareholders (1995/96: £25,210)

8. Creditors: Amounts falling due within one year	December 1997 £	June 1996 £
Trade Creditors - Other	448	30,196
-Amounts owed to shareholders	213,767	321,796
Other Taxation & Social Security	-	86
Other Creditors - Other	55	561
-Amounts due to shareholders	157,900	-
Corporation Tax Payable	11,427	-
Accruals & Deferred Income	367,878	293,742
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	751,475	646,381
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International Consumer Research and Testing Limited

Notes to the Accounts

9. <i>Share Capital</i>	December 1997 £	June 1996 £
<i>Authorised:</i>		
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
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	2,820	2,820
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<i>Issued and Fully Paid:</i>		
4 Ordinary 'A' Shares of £270 each	1,080	1,080
9 (1996:8) Ordinary 'B' Shares of £45 each	405	360
9 (1996:7) Ordinary 'C' Shares of £15 each	135	105
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Called Up Share Capital	1,620	1,545
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One 'B' ordinary share of £45, and two 'C' ordinary shares of £15 were issued during the period to new members for cash.

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 a 'B' share and a holder of a 'C' share is entitled to one vote on any matter on which they are entitled to vote at any general meeting.

10. <i>Reconciliation of Movements in Equity Shareholders' Funds</i>	December 1997 £	June 1996 £
Opening Shareholders' Funds	19,919	(1,269)
Issue of 1 Ordinary 'B' Share & 2 Ordinary 'C' Shares	75	45
Surplus for the Financial Period	31,278	21,143
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	51,272	19,919
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International Consumer Research and Testing Limited

Notes to the Accounts

11. Relationships

Political and Charitable contributions and related party transactions

No political contributions were made during the period (1996: £Nil)

New standards of disclosure have been created during the period following the publication of Financial Reporting Standard No. 8 Related Party Disclosures. International Consumer Research and Testing Limited now reports details of those transactions with companies or individuals who may be linked to it in some way. The information disclosed helps to clarify the nature of the relationship.

Organisation	Member Status	Membership Fee £	Trade Purchases £	Trade Creditors as at 31.12.97	Trade Sales £	Trade Debtors as at 31.12.97
Consumers Association (CA)	A	11,919	85,391	9,461	27,761	10,648
Consumentenbond (CB)	A	11,919	433,029	80,292	47,005	21,890
Stiftung Warentest (SW)	A	11,919	123,321	69,337	26,878	10,516
Verbruikersunie (VU)	A	11,919	56,713	13,899	63,197	25,637

Consumers' Association has charitable status.

IT paid Consumers' Association (CA) £25,278 (1996: £16,852) to cover the cost of providing office accommodation, facilities and administrative support. During the period, CA paid many of IT's operational costs for which it was subsequently fully reimbursed.

During the period, the following transactions were recorded relating to 'B' members:- Membership fees £143,679; Trade Purchases £152,656; Trade Sales £97,400. As at the period end the following amounts remained outstanding: Trade Creditors £16,529.

During the period, the following transactions were recorded relating to 'C' members:- Membership fees £18,481; Trade Purchases £96,587; Trade Sales £92,700. As at the period end the following amounts remained outstanding: Trade Creditors £53,214.