

**INTERNATIONAL CONSUMER RESEARCH AND TESTING
LIMITED**

Company No. 2447570

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31ST DECEMBER 2000**



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 2000.

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 £516,547 which represents a 124% increase on 1999. This was due to two EC projects being completed in the period: the "Sustainable Consumption and Small Appliances" project and the "Safety of Steps and Ladders" project.

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
Klaske De Jonge (Appointed 13th March 2000)

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

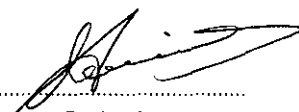
Auditors

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 (effective March 2000).

By order of the Board


G. Adriaenssens
Secretary

30 Angel Gate
City Road
London EC1V 2PT

Date: 14/6/01

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.

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 2000 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 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.

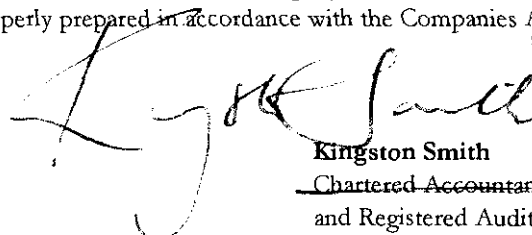
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity 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 2000 and of its profit 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: 18/6/01



Kingston Smith
Chartered Accountants
and Registered Auditors

International Consumer Research and Testing Limited

Profit and Loss Account

For the year ended 31st December 2000

| | Note | 2000 £ | 1999 £ |
|---|------|---------------------|------------------------|
| Turnover | 2 | 516,547 | 230,900 |
| Administrative expenses | | (518,929) | (283,450) |
| Other operating income/(expenses) | | <u>(2,946)</u> | <u>(5,618)</u> |
| Operating Loss | 3 | (5,328) | (53,168) |
| Other interest receivable and similar income | 4 | <u>7,547</u> | <u>11,729</u> |
| Profit/(Loss) on Ordinary Activities before Taxation | | 2,219 | (46,439) |
| Taxation | 6 | <u>-</u> | <u>-</u> |
| Profit/(Loss) for the Year transferred to/(from) reserves | 10 | <u><u>2,219</u></u> | <u><u>(46,439)</u></u> |

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

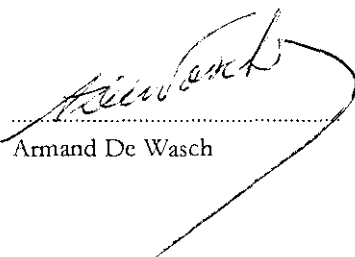
International Consumer Research and Testing Limited

Balance Sheet at 31st December 2000

| | Notes | 2000 £ | 2000 £ | 1999 £ | 1999 £ |
|---|-------|------------------|-----------------|------------------|-----------------|
| Fixed Assets | | | | | |
| Tangible assets | 7 | | 19,712 | | 3,464 |
| Current Assets | | | | | |
| Debtors | 8 | 189,956 | | 62,333 | |
| Cash at bank and in hand | | <u>85,425</u> | | <u>195,677</u> | |
| | | 275,381 | | 258,010 | |
| Creditors: Amounts falling due within one year | 9 | <u>(311,964)</u> | | <u>(280,564)</u> | |
| Net Current Liabilities | | | <u>(36,583)</u> | | <u>(22,554)</u> |
| Net Liabilities | | | <u>(16,871)</u> | | <u>(19,090)</u> |
| Capital and Reserves | | | | | |
| Called up share capital | 10 | | 1,635 | | 1,635 |
| Profit and loss account | 10 | | <u>(18,506)</u> | | <u>(20,725)</u> |
| Shareholders' Funds | 10 | | <u>(16,871)</u> | | <u>(19,090)</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 March 2000).

Approved by the board on 14 / 6 / 01
and signed on its behalf by:


Armand De Wasch

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 2000

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 £16,871 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 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

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.

European Union - Indirect Funded Projects

Research income received from the European Union to fund projects managed by ICRT but undertaken by partners of ICRT is not recognised by ICRT until the costs associated with the projects have been charged to ICRT. Research income received during the period but which relates to projects in the course of completion by partners, not yet charged to ICRT, 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 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.

International Consumer Research and Testing Limited

Notes to the Financial Statements

For the year ended 31st December 2000 (Continued)

2

Turnover

2000

1999

£

£

Turnover is analysed as follows:

Membership fees

204,537

178,214

Research income

285,037

52,686

Rental income

26,973

-

Total

516,547

230,900

3

Operating Loss

2000

1999

£

£

The operating loss is stated after charging:

Auditors' remuneration

3,800

3,500

Depreciation - owned tangible fixed assets

5,994

1,770

Operating lease rentals - land and buildings

10,494

32,665

Foreign exchange losses

2,946

5,618

4

Interest Receivable

2000

1999

£

£

Interest on deposits

7,547

11,729

5

Staff Costs

2000

1999

£

£

Included within staff costs are:

Pension costs

13,622

4,980

No director received any emoluments during the year (1999 - Nil).

6

Taxation

As a result of the utilisation of tax losses brought forward there is no corporation tax payable this year (1999 - Nil).

7

Tangible Assets

Computer Equipment

Office Furniture

Total

£

£

£

Cost

At 1st January 2000

4,891

700

5,591

Additions

18,276

3,966

22,242

At 31st December 2000

23,167

4,666

27,833

Depreciation

At 1st January 2000

1,940

187

2,127

Charge for the year

5,061

933

5,994

At 31st December 2000

7,001

1,120

8,121

Net Book Value

At 31st December 2000

16,166

3,546

19,712

At 31st December 1999

2,951

513

3,464

International Consumer Research and Testing Limited

Notes to the Financial Statements

For the year ended 31st December 2000 (Continued)

| 8 Debtors | 2000 | 1999 |
|--|----------------|---------------|
| | £ | £ |
| Trade debtors: amounts due from shareholders | 117,546 | 35,771 |
| : others | 9,229 | - |
| Other debtors | 9,126 | - |
| Prepayments and accrued income | 49,000 | 21,146 |
| VAT recoverable | 1,573 | 1,934 |
| Corporation tax recoverable | 3,482 | 3,482 |
| | <u>189,956</u> | <u>62,333</u> |

| 9 Creditors: Amounts falling due within one year | 2000 | 1999 |
|--|----------------|----------------|
| | £ | £ |
| Trade creditors - amounts owed to shareholders | - | 4,058 |
| - other | 101,454 | 13,047 |
| Social security and other taxes | 5,499 | 3,941 |
| Other creditors - amounts owed to shareholders | - | 9,000 |
| - other | 4,305 | - |
| Accruals and deferred income | 200,706 | 250,518 |
| | <u>311,964</u> | <u>280,564</u> |

| 10 Shareholders' Funds | Share Capital | Profit and Loss Account | Total |
|---------------------------------------|---------------|-------------------------|-----------------|
| | £ | £ | £ |
| 2000 | | | |
| Balance at 1st January 2000 | 1,635 | (20,725) | (19,090) |
| Transfer from profit and loss account | - | 2,219 | 2,219 |
| | <u>1,635</u> | <u>(18,506)</u> | <u>(16,871)</u> |
| Balance at 31st December 2000 | | | |
| The share capital comprises: | | 2000 | 1999 |
| | | £ | £ |
| 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 |
| | | <u>300</u> | <u>300</u> |
| 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 |
| | | <u>150</u> | <u>150</u> |
| 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 Consumer Research and Testing Limited

Notes to the Financial Statements

For the year ended 31st December 2000 (Continued)

10 Shareholders' Funds (continued)

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

| | Share Capital £ | Profit and Loss Account £ | Total £ |
|---------------------------------------|-----------------------|---------------------------------|-----------------|
| 1999 | | | |
| 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> |

11 Future Financial Commitments

Operating Leases

At 31st December 2000 the company had annual commitments under operating leases as set out below:

| | Land and Buildings 2000 £ | Land and Buildings 1999 £ |
|--------------------------------|------------------------------------|------------------------------------|
| Operating leases which expire: | | |
| within one year | - | 32,665 |
| in the second to fifth year | <u>10,494</u> | <u>15,741</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 31.12.00 £ | Trade Sales £ | Trade Debtors as at 31.12.00 £ |
|----------------------------|------------------|------------------------|-------------------------|--|---------------------|--|
| Consumers Association (CA) | A | 19,983 | 146,692 | 73,731 | 82,111 | 39,222 |
| Consumentenbond (CB) | A | 19,983 | 306 | - | 109,510 | 36,365 |
| Stiftung Warentest (SW) | A | 19,983 | 1,170 | - | 52,404 | 24,134 |
| Verbruikersunie (VU) | A | 19,983 | 26,340 | 10,586 | 112,056 | 22,642 |

Consumers' Association has charitable status.

ICRT paid the Consumer's Association (CA) £Nil (1999 - £15,099) to cover the cost of providing office accommodation, facilities and administrative support. During 1999, CA paid many of ICRT'S operational costs for which it was subsequently fully reimbursed.

During the period, the following transactions were recorded relating to 'B' members: Membership fees £27,360; Trade purchases £848; Trade sales £79,938.

During the period, the following transactions were recorded relating to 'C' members: Membership fees £9,648; Trade purchases £465; Trade sales £6,344.