

REGISTERED NUMBER : 3004506

**BET MANAGEMENT SERVICES
(COMMERCIAL & INDUSTRIAL) LIMITED**

REPORT AND FINANCIAL STATEMENTS

9 MONTHS ENDED 28 DECEMBER 1996



BET MANAGEMENT SERVICES (COMMERCIAL & INDUSTRIAL) LTD

9 Months Ended 28 December 1996

Directors' Report

The directors present their report and accounts for the 9 months ended 28 December 1996.

Principal activity and results

The Company ceased to trade on 31 March 1996.

All contracts and assets were assigned to BET Management Services Ltd for £264,000, being the net book value of the Company's assets at 31 March 1996.

The Company made neither profit or loss during the period, (15 months ended 30 March 1996: profit £164,000). The directors do not recommend the payment of a dividend, (30 March 1996: £nil).

Directors

The directors of the Company during the period were:

J C Gordon	
D Howroyd	Appointed 31/10/96
P R Wakeham	Resigned 31/10/96
J Nicholls	Resigned 31/10/96

BET MANAGEMENT SERVICES (COMMERCIAL & INDUSTRIAL) LTD

9 Months Ended 28 December 1996

Directors' Report (continued)

Directors' Interest

None of the directors had any beneficial interests in the share capital of the Company. The beneficial interests of the directors in the ordinary shares of Rentokil Initial plc at 31 March 1996 or the date of appointment, if later and 28 December 1996 were:

	Ordinary Shares		Options	
	28/12/96 £'000	31/10/96 £'000	28/12/96 £'000	31/10/96 £'000
David Howroyd	36,189	37,789	110,000	110,000

Changes in options during the period

D Howroyd was granted 22,000 options during the period, prior to his appointment as a director

Statement of Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the Company as at the end of the financial period 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 judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

**BET MANAGEMENT SERVICES
(COMMERCIAL & INDUSTRIAL) LTD**

9 Months Ended 28 December 1996

Directors' Report (continued)

The directors are responsible for keeping 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 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.

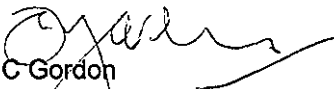
Change of Accounting Date

At an extraordinary general meeting held on 15 January 1997 it was resolved that the accounting reference date of the Company be changed from 31 March to 31 December to coincide with that of Rentokil Initial plc

Auditors

Coopers & Lybrand resigned as the Company's auditors on 11 November 1996. At an extraordinary general meeting held on 15 January 1997 it was resolved that the Company appoint Price Waterhouse as its auditors with effect from the year ending 31 December 1996.

By order of the Board


JC Gordon
Company Secretary

BET MANAGEMENT SERVICES (COMMERCIAL & INDUSTRIAL) LTD

9 Months Ended 28 December 1996

Report of the auditors to the members of BET Management Services (Commercial & Industrial) Ltd

We have audited the financial statements on pages 6 to 14 which have been prepared under the historical cost convention and the accounting policies set out on page 8.

Respective responsibilities of directors and auditors

As described on pages 3 and 4 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 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 judgments 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 as at 28 December 1996 and have been properly prepared in accordance with the Companies Act 1985.



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

**BET MANAGEMENT SERVICES
(COMMERCIAL & INDUSTRIAL) LTD**

9 Months Ended 28 December 1996

**Profit and Loss Account
For the 9 Months Ended 28 December 1996**

	Notes	9 Months to 28/12/96 £'000	15 Months to 30/3/96 £'000
Turnover - discontinued operations	2	-	29,598
Cost of sales - discontinued operations		-	(28,112)
Gross Profit		-	1,486
Distribution costs		-	(147)
Administrative expenses		-	(1,094)
Operating profit - discontinued operations	3	-	245
Profit on ordinary activities before taxation		-	245
Taxation	6	-	(81)
Profit on ordinary activities after taxation		-	164
Retained profit for the period	11	-	164

There were no recognised gains or losses in the period other than the retained profit above and therefore no separate statement of total recognised gains and losses has been presented

There is no difference between the profit on ordinary activities before taxation and the retained profit for the year stated above and their historical cost equivalents.

All the results arose from the principal activity of the Company. The Company ceased to trade on 31 March 1996.

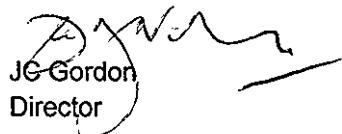
**BET MANAGEMENT SERVICES
(COMMERCIAL & INDUSTRIAL) LTD**

9 Months Ended 28 December 1996

**Balance Sheet
As at 28 December 1996**

	Notes	28/12/96 £'000	30/3/96 £'000
Fixed assets			
Tangible assets	7	-	247
Current assets			
Debtors	8	264	4,096
Cash at Bank		-	2,098
		264	6,194
Creditors: amounts falling due within one year	9	-	(6,177)
Net current assets		264	17
Total assets less current liabilities		264	264
Capital and reserves			
Share capital	10	100	100
Profit and loss account	11	164	164
Equity Shareholders' Funds	12	264	264

The financial statements on pages 6 to 14 were approved by the Board of Directors on 20 June 1997 and were signed on its behalf by :


JG Gordon
Director

BET MANAGEMENT SERVICES (COMMERCIAL & INDUSTRIAL) LTD

9 Months Ended 28 December 1996

Notes to the financial statements

1. Principal accounting policies

The financial statements 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 listed below.

(a) Basis of accounting

The accounts have been prepared under the historical cost convention.

(b) Cashflow statement

The Company is a wholly owned subsidiary of Rentokil Initial plc and the cash flow of the company is included in the consolidated group cash flow statement of Rentokil Initial plc. Consequently the company is exempt under the terms of Financial Reporting Standard ("FRS") No 1 from publishing a cash flow statement.

(c) Tangible fixed assets

Depreciation is calculated so as to write off the cost of tangible fixed assets, less their estimated residual values, on a straight line basis over the expected useful economic lives of the assets concerned. The principal annual rates used are :

Motor vehicles	25%
Computer equipment	20%
Fixtures and fittings	20%

(d) Pension Benefits

The Company contributes to group defined benefit pension schemes operated by BET Public Limited Company. Pension costs are accounted for on the basis of charging the expected cost of providing pensions over the period during which the Company benefits from the employees' services. The effect of variations from regular costs are spread over the expected remaining working lifetime of members of the scheme after making suitable allowances for further withdrawals.

The Company provides no other post retirement benefits to its employees.

BET MANAGEMENT SERVICES (COMMERCIAL & INDUSTRIAL) LTD

9 Months Ended 28 December 1996

Notes to the financial statements (continued)

2. Turnover

Turnover, which excludes value added tax and trade discounts, represents the invoiced value of goods and services supplied in the United Kingdom.

3. Operating Profit	9 Months to 15 Months to	
	28/12/96	30/3/96
	£'000	£'000
Operating profit is stated after charging:		
Depreciation of tangible fixed assets	-	76
Maintenance and repair costs	-	2
	<u>-</u>	<u>78</u>

4. Directors' Emoluments	9 Months to 15 Months to	
	28/12/96	30/3/96
	£'000	£'000
Emoluments (including bonuses)	-	104
Pension Contributions	-	3
	<u>-</u>	<u>107</u>

Fees and other emoluments (excluding pension contributions)

include amounts paid to :

	9 Months to 15 Months to	
	28/12/96	30/3/96
	£'000	£'000
Chairman	<u>-</u>	<u>-</u>
Highest paid director	<u>-</u>	<u>104</u>

The emoluments of P Wakeham, D Howroyd, J Gordon and J Nicholls were paid for by fellow subsidiaries which make no recharge to the Company. P Wakeham, D Howroyd J Gordon and J Nicholls were directors of a number of companies and it is not possible to make an accurate apportionment of their emoluments in respect of each of the subsidiaries. Accordingly the above details include no emoluments in respect of the above directors. These are shown in fellow subsidiary accounts.

**BET MANAGEMENT SERVICES
(COMMERCIAL & INDUSTRIAL) LTD**

9 Months Ended 28 December 1996

Notes to the financial statements (continued)

The number of directors (including the chairman and the highest paid director) who received fees and other emoluments (excluding pensions contributions) within the following ranges was :

		9 Months to	15 Months to
		28/12/96	30/3/96
		£'000	£'000
£ NIL	-	4	8
£100,001	-	-	1
		<hr/>	<hr/>
		4	9
		<hr/> <hr/>	<hr/> <hr/>

5. Employee information

The average number of employees employed by the Company during the period was:

	9 Months to	15 Months to
	28/12/96	30/3/96
	Number	Number
By activity		
Direct operatives	-	186
Selling & Distribution	-	6
Administration	-	4
	<hr/>	<hr/>
	-	196
	<hr/> <hr/>	<hr/> <hr/>

	9 Months to	15 Months to
	28/12/96	30/3/96
	£'000	£'000
The aggregate payroll of these employees was as follows:		
Wages and Salaries	-	4,045
Social Security Costs	-	458
Other Pension Costs	-	282
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	-	4,785
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No directors remuneration was paid for the year.

**BET MANAGEMENT SERVICES
(COMMERCIAL & INDUSTRIAL) LTD**

9 Months Ended 28 December 1996

Notes to the financial statements (continued)

6. Taxation

	9 Months to	15 Months to
	28/12/96	30/3/96
	£'000	£'000
United Kingdom corporation tax at 33% (1995:33%)		
Current	<u>-</u>	<u>81</u>

7. Tangible Fixed Assets

	Vehicles	Plant, Machinery and Fixtures	Total
	£'000	£'000	£'000
Cost			
At 31 March 1996	239	222	461
Transfer to fellow subsidiary undertakings:	(239)	(222)	(461)
At 28 December 1996	<u>-</u>	<u>-</u>	<u>-</u>
Depreciation			
At 31 March 1996	(85)	(129)	(214)
Transfer to fellow subsidiary undertakings:	85	129	214
At 28 December 1996	<u>-</u>	<u>-</u>	<u>-</u>
Net Book Value			
At 28 December 1996	<u>-</u>	<u>-</u>	<u>-</u>
At 31 March 1996	<u>154</u>	<u>93</u>	<u>247</u>

**BET MANAGEMENT SERVICES
(COMMERCIAL & INDUSTRIAL) LTD**

Notes to the financial statements (continued)

8. Debtors

	28/12/96	30/3/96
	£'000	£'000
Trade debtors	-	1,622
Amounts owed by parent and fellow subsidiary undertakings	264	2,354
Other Debtors	-	120
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	264	4,096
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9. Creditors - amounts falling due within one year

	28/12/96	30/3/96
	£'000	£'000
Trade creditors	-	670
Amounts owed to parent and fellow subsidiary undertakings	-	4,084
Corporation tax	-	81
Other taxation and social security	-	698
Accruals and deferred income	-	644
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	-	6,177
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BET MANAGEMENT SERVICES (COMMERCIAL & INDUSTRIAL) LTD

9 Months Ended 28 December 1996

Notes to the financial statements (continued)

13. Pension Costs

The Company participates in group pension schemes operated by BET Public Limited Company. The pension schemes are of the defined benefit type and the assets are held in separate trustee administered funds. The funds are valued every three years by a professionally qualified independent actuary, the rates of the contribution payable being determined by the actuary. In the intervening years the actuary reviews the continuing appropriateness of the rates. The latest actuarial assessment of the schemes was at 30th September 1994. Particulars of the valuation of the groups schemes are contained in the accounts of BET Public Limited Company.

The total pension cost of the Company was £nil (1995/96 £282,000)

14. Ultimate Parent Company

The ultimate parent undertaking is Rentokil Initial plc which is incorporated in Great Britain. The largest and smallest group of which the Company is a member and for which the group accounts are drawn up is that of BET Public Limited Company which is registered in England and Wales. Copies of the annual report are available from The Company Secretary, Rentokil Initial Plc, Felcourt, East Grinstead, East Sussex, RH19 2JY.

15. 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 period, other than transactions with fellow members of the Rentokil Initial plc Group. Such transactions are exempt from disclosure under FRS8.