

British Standards Institution

Annual Review &
Summary Financial Statements 2000



Contents

Chairman's Statement	4
Commercial Operations Report	5
British Standards	10
Summary Financial Review	11
Summary Financial Statements	12
Summary Reports	14
Board of Directors	15

The BSI Executive
Next page left to right
Stanley Williams
Roy Mort
David Lazenby
Vivian Thomas CBE
Kevin Wilson
below
Nick Moy



Financial Highlights

	2000 £m	1999 £m
Turnover	210.8	181.8
Group operating profit before exceptional items	16.0	10.4
Including share of profit in associated undertakings	0.3	0.3
Excluding goodwill amortization	1.0	1.0
Group operating profit before exceptional items (including associates and before goodwill)	17.3	11.7
Group operating profit	11.4	2.7

BSI 2000



BSI's Principal Activities

- Facilitating the development and publication of national and international standards
- Sale and distribution of standards
- Product testing and product certification
- Assessment of management systems
- Inspection of commodities and consumer goods

Chairman's Statement

2001 is the centenary of the formation of the British Standards Institution, the oldest and most respected National Standards Body in the world. It is 100 years since a group of forward thinking engineers sat down together to standardise manufacturing processes. The success of the fledgling Engineering Standards Committee was dramatic. With the publication of the first standard for rolled steel sections in 1903 the number of different tramway sections was cut from 75 to 5. Since those modest beginnings in 1901 our company has been at the forefront of international innovation and excellence.

We entered our centenary year with renewed optimism and in a healthy state to compete strongly in the global market place. It is a market place that has expanded rapidly to embrace standards, quality management, certification, testing and inspections, all areas in which BSI has a leading presence. It is a market place that encompasses all sizes of businesses from small companies to multinational corporations. It is in this market place that the scope of BSI's involvement and influence increased throughout the year 2000, providing a timely and emphatic response to the overall business performance of the year before.

Both turnover and profits show significant increases on the previous year. We have worked hard on key areas such as reducing our operating costs, increasing our productivity and improving our cash flow and trade debt collection. We have also invested in our global operations, particularly in the USA and the Far East. This has given us a strong and stable platform for continued growth and for expanding our ability to serve customers who have ever-increasing global requirements.

Our results for 2000 reflect this upturn in BSI's business performance. Turnover for the Group increased to £210.8 million from £181.8 million in 1999 whilst operating profit, before exceptionals and goodwill write off but including associates, was £17.3 million, compared to £11.7 million for 1999. Given the disappointing start to the year, I am delighted with the progress that the Group has made. It is a credit to all of the management and staff who have put in such an effort, particularly in the second half of the year.

A major feature of the year was the growth of e-commerce that has opened up new opportunities for the Group. We have continued to invest heavily in new technology and BSI's redesigned web site www.bsi-global.com went 'live' towards the end of the year.

The BSI Group now operates in over 100 countries, with some 4,200 staff – yet our core business aims stay the same:

- Free movement of goods between nations
- Acceptance of common management practices
- Safety and technical standards
- Minimising the risks of trade

Facts and figures

Number of BSI staff 4,200



Vivian Thomas CBE
Chairman

With these principles at the heart of our business, we are confident our customers will gain competitive advantage from using our services.

During the year the Group underwent an extensive review of its operational and administrative activities. External consultants were appointed to co-ordinate the review undertaken by a team of senior BSI managers.

The year was also characterised by a significant reorganisation of the Group's senior management. Kevin Wilson joined BSI in May as Chief Operating Officer on an interim basis following Keith Tozzi's resignation as Chief Executive. I am delighted to report that Kevin has agreed to remain with us until 31 December 2001. He has played a key role in the turn around in BSI's performance during the second part of 2000.

In July, Jeff Luesley, Managing Director of Inspectorate, our commodity inspection division, left to pursue other business opportunities and we wish him well for the future. Inspectorate's global operations are now headed by David Wright and Neil Hopkins reporting directly to Kevin Wilson.

In November Roy Mort, was appointed Group Finance Director and joined the Board, following Mark Silver's resignation from BSI. Roy was formerly Finance Director at Inspectorate.

Team effort is an important ingredient in any success story and I would like to thank all my colleagues on both the Board and the Executive for their invaluable support, advice and expertise throughout the year.

However, the real success of any organisation lies with its staff. I would like to extend my appreciation and that of the Board and Executive

to all our staff, worldwide, for their dedication, hard work and continued support during a difficult year of great change, tough targets and major restructuring.

During the year David Lazenby was elected CEN Vice President Finance and Chairman of the ISO Council Finance Group – deserved recognition, that is a reflection on David personally and the BSI Group as a whole.

In line with previous years we continued to look to invest in our own future and BSI welcomed a new intake of graduate trainees last year. We wish them well for a successful career with the Group.

I am also pleased to report that the Group's commitment to innovation continued in 2000 with our sponsorship, for the sixth year running, of the Royal College of Art's Environmental Design & Technology awards. All the students showed remarkable vision and invention. The overall winner was Chris Boocock, whose 'Quikshaw', a motorised rickshaw, is an environmentally low-impact utility vehicle and is seen as an alternative for modern urban transportation.

We are creating a business environment that will allow BSI to expand both the services we offer and our customer base across the globe. We look forward to consolidating and improving on our achievements of 2000 during the coming year and to building a platform for BSI to enter its second century a stronger and healthier Group.

A handwritten signature in black ink, appearing to read "Vivian Thomas".

Vivian Thomas CBE
17 April 2001

Commercial Operations Report



Kevin Wilson
Chief Operating Officer

I joined BSI in May 2000. My appointment, as an interim manager, followed a Board review that required the Group to re-establish its operational focus.

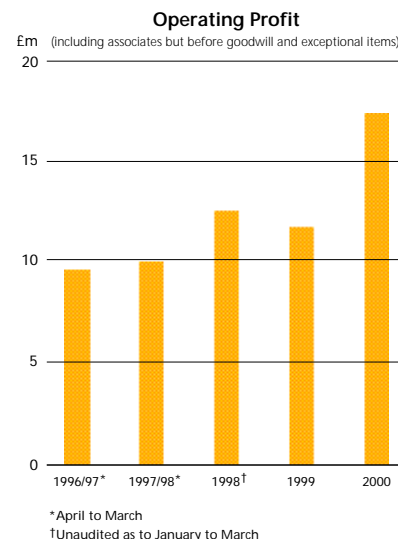
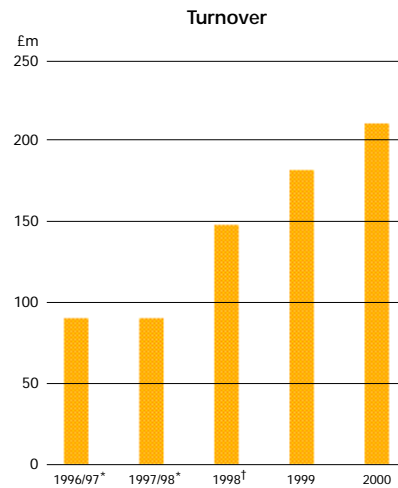
The use of interim managers is becoming prevalent where there is a requirement to manage a company through a specific phase in its development.

I am pleased to report that during 2000 we achieved turnover growth of 16% to £210.8 million with underlying operating profits (including associates but excluding exceptional and goodwill write-offs) moving ahead by 48% to £17.3 million.

Additionally, operating cash flow improved significantly and during November 2000 we took advantage of a robust commercial property market to facilitate the sale and lease back of the Group Headquarters.

Increased profitability, coupled with a strong balance sheet, positions the Group well to take advantage of any future growth opportunities.

The BSI Group is a service industry and relies more than most upon the calibre of its staff. I would like to echo the thanks of the Chairman to colleagues worldwide who have contributed to a successful year.





Global Quality Services

GQS, under the directorship of Nick Moy, had a very successful first year operating as a Global Service Provider. The thrust during the year was to restructure the business and strengthen management around the concept of 'Acting Globally, Delivering Locally'.

Facts and figures

Registered business locations	35,500
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To this end responsibility and ownership was established around three hubs: Europe, Middle East and Africa (EMEA), the Americas and Asia. This included the consolidation of our country offices in the Asian markets and the establishment of a hub management team in Hong Kong.

All three hubs out-performed expectations both in terms of profitability and new business won. We have been particularly encouraged with the take up of ISO 14000, the Environmental Management System. 2000 was the first year that new environmental business matched that of ISO 9000, the leading quality management standard, as more companies sought to gain both financial and good corporate citizenship benefits. Particularly encouraging was the level of new business not directly derived from existing clients.

Along with the hub structure a new Global Marketing Group was established with a focus on key sectors. This is enabling BSI to develop and deliver tailored solutions for our customers across the global market.

Major new clients in the year included: NEC (Japan); Vodafone Telecommerce (Germany); 3M Healthcare (USA); China Eastern Airline (China); TI Group Automotive Systems (UK); British Gas Services (UK); Cisco Photonics (Italy); Matsushita Electronic Com (Mexico); Mitsubishi Heavy Industries Ltd (Japan); Siemens (India).

The year saw the re-launch of the ISO 9000 product in line with the transition for 2000. This has been widely accepted and the focus on Process Management and Customer Satisfaction has been seen as a much needed improvement and boost to adding value to our customers. In particular our provision of transitional support has been well received by our existing customer

base as they work through the changeover to the new ISO 9000 version.

BSI continued to develop world class products that are accepted globally. Particularly good progress was made on the SIGMA Project, a DTI sponsored initiative, to develop an integrated approach to managing sustainability and on Project ACORN, an environmental management system for smaller businesses.

Another key area of growth was in the information security management sector. BSI formed a partnership with Unisys to introduce joint customers to the business benefits of implementing a system based on BS 7799. As global businesses, particularly in the areas of telecommunications, banking and e-commerce, recognise the importance of information security the potential growth of the sector is excellent. There was also strong demand for both our Health and Safety Management System and the Complaints Management System. All products have been developed in conjunction with the new ISO 9000:2000 series to allow for an integrated approach to managing risk and improving business efficiency.

In addition to restructuring the business, we carried out a complete review of our systems and services launching a major Customer First Programme to ensure that we deliver a world class competitive service. Our training and consultancy activity saw significant improvements in both the Americas and EMEA, specifically with regard to the provision of training courses for our clients. Indeed considerable internal effort has been generated in terms of training support for our client managers to ensure that we are "best-in-class" in the provision of delivery to the new ISO 9000 version.

Product Services

2000 was a year of considerable challenge within Product Services following a poor 1999. Much work was carried out to re-establish a clear and uncompromising focus on compliance and accreditation requirements, whilst structuring the business as a stand-alone trading operation.

Facts and figures

Kitemark and Safety Mark licences	2,100
CE certificates	1,800
Notified Body Approvals	15

A great deal has been achieved under the directorship of Alan Hope, including the appointment as a Notified Body for a further three New Approach European Directives. BSI Product Services is now notified to 15 of the 21 directives and is a clear market leader in utilising its notified status for CE marking services. Work will continue during 2001 to obtain Notified Body appointment for the remaining directives. In servicing these directives BSI is able to offer its clients a 'one-stop-shop' compliance route to CE marking which includes quality management system and factory process control assessment, inspection, type examination and testing, and certification.

The BSI Kitemark continued to be recognised as an important statement of quality and trust and moves to develop the scope of usage into the service sector progressed well in 2000. In all there are currently 2,085 Kitemark Licences and 450 individual schemes registered.

Significant investment was made in new equipment, technology and specialist software at BSI's Product Services facilities in Hemel Hempstead. This investment has enabled BSI to remain at the forefront in developing and implementing new testing procedures to meet the demands of the latest and evolving British, European and international standards.

The installation of two new respiratory testing systems, for breathing apparatus and filter testing, supported by bespoke software, resulted in increased productivity and income, and were instrumental in securing ongoing contracts with major manufacturers. The application of specialist software in areas such as the dynamic testing of vehicle seatbelts and child seats will help to support manufacturers' research and development into new products.

In the drive to provide a more responsive and efficient service to our clients, we invested in state of the art Customer Relationship Management software. This manages all aspects of our client activity and enables a reactive relationship that adds value to both parties.





Inspectorate

Inspectorate under the management of Neil Hopkins in the Americas and David Wright in the Rest of the World had a strong year, continuing the growth patterns established following its acquisition in 1998.

Facts and figures

Number of countries operating in	105
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A major 'point-of-origin' inspection and verification contract was won with the Bangladeshi Government and we were delighted to host a visit to the UK of senior officials of the Bangladesh Customs Service during July. The contract, covering imports to Bangladesh from the Indian sub-continent and south east Asia, assisted in the strong growth of our operations in India, Malaysia, Thailand and Singapore.

The rising price of crude oil throughout the year to a 25 year high produced a buoyant market, particularly so in the USA where Inspectorate's Oil and Petrochemical business enjoyed a record year and established itself as the market leader in the field. Good progress was also made in this sector in northern and eastern Europe and the Middle East, in particular in Romania and the Russian Federation.

Market and client demand allowed us to establish new laboratory facilities and offices in the Estonian capital, Tallinn, St Petersburg in Russia, Savannah and Newington in the USA and in Puerto Rico.

Inspectorate enjoyed a strong performance in the precious metal and non-ferrous sector as market conditions were buoyant despite the price of gold remaining relatively low during the year.

In the USA our Reno based Metal and Minerals laboratory was expanded to increase capacity to handle the significant increase in geo-chemical business received from Latin American locations. We began new geo-chemical services in Guatemala, Peru, and Brazil.

Our Chinese business, which has been operating for three years, continues to go from strength to strength and is now the market leader in the metals and minerals field in north China.

With favourable weather conditions the USA enjoyed a good grain harvest in 2000 and Inspectorate's agricultural inspection services division had a strong year exceeding expectations. In Europe Inspectorate's agricultural operations also had an excellent year, particularly in the former Soviet republics of Ukraine and Kazakhstan, where the company consolidated its position as a market leader in grain export inspections. In Russia the division enjoyed a successful year in the inspection of imported sugar. The division also benefited from new business involved in the inspection of meat and poultry exports.

British Standards



David Lazenby
Director, Standards

British Standards Division is responsible for the national and international development and dissemination of standards. As the oldest established National Standards Body it has unrivalled experience and influence in the provision of standards required for global businesses in the 21st Century.

British Standards had an excellent 2000, preserving the status of the National Standards Body whilst competing effectively in the global market place, consolidating our robust position within the arena of international standardisation.

This success, supported by the continuing progress of the upgraded British Standards OnLine and complemented by the re-launched BSI website gives our customers greater flexibility in their dealings with British Standards.

We continued to invest to ensure British Standards remains at the forefront of global Standards development. We extended electronic document delivery and rolled out a programme for the introduction of electronic working at committee stage. These key investments allowed us to publish a near-record level of 1812 new and revised standards during the year.

Within the Standards environment strong working links are key. Our relationships with the DTI and CBI, together with that of our subscribing membership and stakeholders, remain critical for the future development of British Standards.

Facts and figures (approximately)

Subscribing members (including subsidiaries)	18,200
Committee members	22,800
Technical & subcommittees	3,000
Standards projects	18,800
Current British Standards	20,200
British Standards sold	250,400
UK secretariats of International and European committees	240

Work was completed on the revision of ISO 9000 quality management systems with the delivery of some 20,000 copies of the ISO 9000: 2000 series of Standards in December. BS 8888: 2000 Technical Product Documentation replaced BS 308, the 'draughtsman's bible' and was packaged with standards cross-referenced in it as a 'kit'. This became one of the most significant sellers of the year. In addition, OHSAS 18001: 1999 Occupational Health and Safety Management Systems generated significant customer interest throughout the year.

British Standards' influence continued to expand overseas and we provided technical advice to Gosstandart of Russia, the Federation's official body for standardisation. Towards the end of 2000 a new service for National Standards Bodies and other professional organisations was launched. It is designed to allow these organisations to share British Standards' expertise in delivering commercial improvements. Initial reaction has been positive with orders received from Cyprus and Malta. The Cyprus Organisation of Standards and Control of Quality ordered the text of all EN Standards. Discussions started with amongst others, Turkey and Saudi Arabia.

I am pleased to report that there was also an encouraging first year of our joint operation with IHS, called British Standards (Publishing) Limited.

Overall it was an extremely dynamic year, with a most satisfactory out-turn thanks to great teamwork which I warmly recognise.



Summary Financial Review

Introduction

It is our policy to follow best practice accounting in the preparation of our Annual Review and Summary Financial Statements in accordance with company regulation and the Listing Rules of the UK Financial Services Authority.

The year to 31 December 2000 has seen an increase in operating activity, the operating profit of £17.3m before exceptional items and goodwill amortization but including associates comparing to £11.7m for 1999.

Exceptional items

During the year exceptional costs of £3.0m were incurred to reorganise the continuing business, including closing loss making offices and downsizing administrative functions. This was offset by the release of bad debt provision of £1.0m relating to certain overseas government debts which were outstanding at 31 December 1999, following successful collection of debt during the year. In addition, the goodwill on the acquisition of ACSA Loss Control, an Argentine company acquired by the Group in 1999, was written off during the year. This amounted to £2.6m and was as a result of the annual impairment review, which compared the current nature of the business with that which was acquired in 1999 and demonstrated that the goodwill acquired no longer has any value. The net effect on the profit and loss account was an expense of £4.6m, reducing group operating profit from £16.0m to £11.4m.

Cash flow and investment in the business

Cash of £19.3m was generated in 2000 from operating activities before exceptional items, interest, tax and capital expenditure. Net capital expenditure for the year of £5.1m reflects major continuing investment in computer software, equipment and infrastructure.

In November 2000, the group entered into a sale and leaseback arrangement for its global headquarters building at 389 Chiswick High Road, London. The net proceeds of the sale were £33.4m which gave rise to a profit on disposal of £0.3m. There may be further proceeds depending on the resolution of certain matters with the acquiring company. This has been treated as an exceptional gain in the profit and loss account.

As a result of improved performance and the sale and leaseback of the Chiswick building, net funds at the end of the year were £10.4m compared to a debt position at the start of the year of £28.9m.

The Group seeks to achieve a balance between certainty of funding with committed facilities and a flexible cost-effective borrowings structure. At 31 December 2000, the Group had unutilised committed bank facilities of £20.8m and unutilised short term borrowing facilities of £12.8m and net cash of a further £9.9m.

Net funds at 31 December 2000 of £10.4m primarily consisted of a £31.4m short term deposit and net cash of £9.9m offset by a £25.3m multi-currency bank loan repayable between 2000 and 2008 and a £4.0m US dollar denominated loan repayable between 2001 and 2003.

During 2000, Treasury policy was to use a combination of fixed interest rate periods and forward rate agreement to fix interest rates on core debt to achieve 7.0% p.a. weighted average interest payable. Once the Group moved to operating with a net cash positive position in November 2000, Treasury policy was to match the terms of set-off deposits against the related loans and to invest surplus cash at floating interest rates.

BSI's operations give rise to exposure from currency movements particularly the £ against the US dollar. If the exchange rates prevailing at the year end had applied throughout 2000 the effect on translation of operating profit and retained profit would have been less than 1%.

Taxation

The effective tax rate for the year reduced from 34.9% in 1999 to 33.6% in 2000, excluding the effect of exceptional items and goodwill. This is higher than the UK statutory rate of 30% because a significant proportion of the Group's profit arises in the USA and because of unrelieved losses in certain overseas locations. Going forward, the tax rate is expected to reduce towards the UK statutory rate.

Government support

Government funding of standards work has declined from £7.3m in 1994/95 to £5.8m for the year to 31 December 2000. Within current year funding, £3.3m represents direct funding for standards activities and £2.5m for other related activities including committee members' international travel.

Going concern

The Directors confirm that, after making enquiries, they have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. For this reason they adopt the going concern basis in preparing these financial statements.

Roy Mort
Group Finance Director
17 April 2001

Summary Financial Statements

Summary group profit and loss account

for the year ended 31 December 2000

			2000	1999 (restated)
	Before exceptional items £'000	Exceptional items £'000	Total £'000	Total £'000
Turnover	210,817	-	210,817	181,782
Cost of sales	(114,551)	-	(114,551)	(86,278)
Gross profit	96,266	-	96,266	95,504
Operating income and expenses	(79,296)	(1,981)	(81,277)	(91,798)
Goodwill amortization	(1,001)	(2,590)	(3,591)	(965)
Group operating profit/(loss)	15,969	(4,571)	11,398	2,741
Share of associates	366	-	366	296
(Loss)/profit on sale of fixed assets	(203)	298	95	-
	16,132	(4,273)	11,859	3,037
Net interest payable	(2,382)	-	(2,382)	(2,014)
Profit/(loss) before taxation	13,750	(4,273)	9,477	1,023
Tax	(4,956)	793	(4,163)	(1,008)
Profit/(loss) after tax	8,794	(3,480)	5,314	15
Minority interests	(916)	-	(916)	97
Retained profit/(loss)	7,878	(3,480)	4,398	112

There were no other gains and losses other than those shown above, a gain on the release of the deferred tax provision on the revaluation of properties of £2.0m and exchange gains in reserves of £0.2m (1999 losses: £0.7m).

Prior year figures have been amended where appropriate to show the effect of a change in accounting policy, whereby deferred taxation relief is now provided for in full on timing differences in respect of provisions for retirement benefits. The effect of this change in policy is to decrease the tax charge for the year by £0.3m.

The difference between profit on ordinary activities before taxation and retained profit for the period stated above, and their historical cost equivalents is £6.8m. This is due to the realisation of property gains in previous years.

Summary group balance sheet

at 31 December 2000

	2000	1999 (restated)
	£'000	£'000
Goodwill	31,352	34,271
Tangible assets and investments	22,458	56,610
Fixed assets	53,810	90,881
Current assets	102,698	49,276
Current liabilities	(57,573)	(45,425)
Net current assets	45,125	3,851
Total assets less current liabilities	98,935	94,732
Creditors due for payment after one year	(24,971)	(27,949)
Provisions for liabilities and charges	(9,283)	(9,728)
Minority interests	(1,590)	(519)
Net assets	63,091	56,536
Reserves	63,091	56,536

The summary financial statements on pages 12 to 13 were approved by the Board on 21 March 2001 and have been signed on its behalf by:

Vivian Thomas CBE
Chairman



Summary Financial Statements

Summary group cash flow statement

for the year ended 31 December 2000

	2000 £'000	1999 £'000
Net cash flow from operating activities	17,324	6,369
Dividends received from associated undertakings	425	254
Net interest received	(2,522)	(2,065)
Taxation	(3,026)	(2,891)
Purchase of tangible fixed assets	(5,055)	(8,769)
Sale of tangible fixed assets	33,771	1,348
Net capital expenditure	28,716	(7,421)
Acquisitions	(564)	(4,085)
Cash inflow/(outflow) before management of liquid resources and financing	40,353	(9,839)
Management of liquid resources	(31,434)	497
Financing		
Increase in borrowings	74	3,620
Investment by minority	42	-
Repayment of principal under finance leases	(215)	(556)
Increase/(decrease) in cash	8,820	(6,278)

Movement in net funds/(debt)

for the year ended 31 December 2000

	2000 £'000	1999 £'000
Increase/(decrease) in cash	8,820	(6,278)
Loans and finance leases acquired	-	(22)
Movement in short term investments	31,434	(497)
Movement in borrowings	(74)	(3,620)
Other changes in debt	(898)	(309)
Movement in net funds/(debt) in the period	39,282	(10,726)
Net debt at beginning of period	(28,897)	(18,171)
Net funds/(debt) at end of period	10,385	(28,897)

Summary remuneration report

During 2000, the total amount of directors' emoluments, including benefits and bonus payments, was £1.0m (1999: £1.3m).

Full details of Directors' remuneration is contained in Note 5 in the detailed Report and Accounts for 2000.

Summary Reports

Auditors' statement to the members of BSI

We have examined the Summary Financial Statements set out on pages 12 and 13.

Respective responsibilities of directors and auditors

The Directors are responsible for preparing the Annual Review and Summary Financial Statements. Our responsibility is to report to you our opinion on the consistency of the summary financial statements within the Annual Review and Summary Financial Statements with the full annual financial statements and Directors' report and its compliance with the requirements of the Companies Act 1985 as if the same applied to BSI. We also read the other information contained in the Annual Review and Summary Financial Statements and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the summary financial statements.

Basis of opinion

We conducted our work in accordance with Bulletin 1999/6, "The Auditors' Statement on the Summary Financial Statement," issued by the Auditing Practices Board.

Opinion

In our opinion the Summary Financial Statements are consistent with the full annual financial statements and Directors' report of BSI for the year ended 31 December 2000 and comply with the relevant requirements of Section 251 of the Companies Act 1985 and the regulations made thereunder as if the same were applicable to BSI.

PricewaterhouseCoopers

Chartered Accountants and Registered Auditors.
London
17 April 2001

Summary Directors' report

The Annual Review and Summary Financial Statements are a summary of the information contained in the Annual Report and Accounts for the year ended 31 December 2000.

Principal activities and business review

A review of the business and likely future developments of the business are described in the Chairman's statement on page 4 and the operating review on pages 5 to 10. A description of the principal activities of the Group is set out on page 3.

Corporate governance

The Company follows the Combined Code which Incorporates the Cadbury, Greenbury and Hampel reports and the guidance on the interpretation of internal controls provided by the Turnbull report.

The Board has appointed a number of committees to deal with specific aspects of the management of the Company namely the Audit, Remuneration, Nominations and Development Committees. Directors' membership of these committees is shown on page 15.

A Group Compliance and Risk Management function under the direction of the Director of Legal Affairs and a Business Risk function under the direction of the Finance Director carry out complementary work in the fields of identifying and managing risk, compliance monitoring and training and maintaining internal and external quality standards.

Full details of how the Company applies the principles set out in the Combined Code are set out in the full Report and Accounts for the year ended 31 December 2000.

Directors

In March and May, Keith Tozzi and Mark Silver resigned from their positions as Chief Executive and Group Finance Director respectively. Later in the year Jeff Luesley resigned from his position as Divisional Director, Inspectorate, and John Turner stood down as a non-executive director following the 2000 Annual General Meeting.

Directors who will retire by rotation from the Board at this year's Annual General Meeting are Neil Garrard and Tony Percival. Having served on the Board since 1992 and 1997 respectively, they are both seeking re-election. Having been appointed a Director in November 2000, Roy Mort will also be seeking re-election.

Stanley K Williams

Director of Legal Affairs and
Company Secretary
17 April 2001

Full Report and Accounts

In the interests of readability and economy, we decided last year to follow the increasingly common practice of publishing an Annual Review of our operating activities together with Summary Financial Statements. It should be noted that the latter do not contain sufficient information to allow as full an understanding of the company's results and state of affairs as would be provided by a full report and accounts. Subscribing members wishing to obtain the full report and accounts for any year will of course be able to do so by contacting the Company (see below).

If you would like a copy of the detailed Report and Accounts for 2000, on which the auditors have issued an unqualified report, please contact Mrs Pamela Danvers:
Tel: 020 8996 7339.
Email: Pamela.Danvers@bsi-global.com

The Board



Top Row, left to right

Chairman

Vivian Thomas CBE ●▲◆■
Chairman of the BSI Board since November 1991. Vivian Thomas was previously Chief Executive of BP Oil UK having joined the BP Board in 1985. He previously held a number of senior management positions for that company around the world. He is a Board member of Gowrings plc and Jaguar Ltd. Age 69.

Non-executive Members

Anthony Fry ●■
Anthony Fry is a Managing Director of Credit Suisse First Boston, the leading global investment bank. Prior to joining Credit Suisse First Boston he held a number of senior positions in the financial sector for the Rothschilds Group. He joined the BSI Board on 1 January 2000. Age 43.

Neil Garrard ●▲◆
Neil Garrard joined the Board in March 1992. An independent business consultant and a director of four small companies in the leisure, development and building components sectors, he worked for McKinsey and Co management consultancy until leaving in 1990 to pursue his own business interests. Age 63.

David Kendall ●
Following a distinguished career in the oil and petrochemical industry David Kendall joined the BSI Board on 1 January 2000. In addition to membership of the BSI Board he holds a number of non-executive directorships including chairmanships of Wagon plc, Danka Business Systems plc, Blagden plc and Celtic Energy Ltd. Age 66.

Nigel Macdonald ▲
Nigel Macdonald has been a member of the BSI Board, and Chairman of the BSI Audit Committee, since 1992. A senior partner with Ernst and Young, he is a past President of the Institute of Chartered Accountants of Scotland and a member of the Competition Commission. He is also chairman of a retail company. Age 56.

Tony Percival ▲◆■
Tony Percival joined the BSI Board in January 1997. He is a director of Kingfisher plc and was its finance director from 1995 to 1998, following 28 years accounting and management experience as a partner with Coopers & Lybrand. Age 61.

Bottom Row, left to right

Executive Members
David Lazenby Director, British Standards
David Lazenby has been Director of British Standards since December 1997. A professional engineer, he is a past President of the Institution of Structural Engineers, and over many years has gained wide experience of national, European and international standards activities. Age 63.

Roy Mort Finance Director
Roy Mort joined the BSI Board in November 2000, having previously been Finance Director of the Group's subsidiary, Inspectorate plc. Age 49.

Nick Moy Managing Director, Global Quality Services
Nick joined BSI in May 1999 as Managing Director for Quality Services Europe. He previously held senior roles at Hays and Unilever and is a Fellow of the Institute of Cost Management. Age 41.

Chief Operating Officer
Kevin Wilson
Kevin Wilson joined BSI as Chief Operating Officer in May 2000. He previously enjoyed senior director positions at Bullough plc, Wagon Industrial Holdings plc and BTR plc and has very wide operational experience in the industrial and services field. Age 54.

Director of Legal Affairs and Company Secretary
Stanley Williams
Stanley Williams joined BSI as Company Secretary and Director of Legal Affairs in September 1997. He was previously Company Secretary and Solicitor of BTR plc, and Deputy Company Secretary of Rowntree plc. He is Chairman of the BSI Pension Trust. Age 56.

- Appointments and Remuneration Committee
- ▲ Audit Committee
- ◆ Development Committee
- Nominations Committee