

2721275



6 Lower Brook Street
Ipswich IP4 1AP
United Kingdom

Statement of the auditors to the directors of Inspectorate Limited for the purpose of section 43(3)(b) of the Companies Act 1985

We have examined the balance sheet of Inspectorate PLC (now Inspectorate Limited) as at 31 December 1997 which formed part of the financial statements for the year then ended audited by us.

Basis of opinion

The scope of our work for the purpose of this statement was limited to an examination of the relationship between the company's net assets and its called-up share capital and undistributable reserves as stated in the audited balance sheet in connection with the company's proposed re-registration as a public company.

Opinion

In our opinion the balance sheet at 31 December 1997 shows that the amount of the company's net assets was not less than the aggregate of its called-up share capital and undistributable reserves.

KPMG

KPMG

Chartered Accountants

Registered Auditors

27 May 1998



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Company balance sheet

at 31 December 1997

		1997 £000	1996 £000
Fixed assets			
Investments	8	10,094	10,094
Current assets			
Debtors	10	4,472	3,637
Cash at bank and in hand		9	35
		4,481	3,672
Creditors: amounts falling due within one year	11	(2,242)	(2,337)
Net current assets		2,239	1,335
Net assets		12,333	11,429
Capital and reserves			
Called up share capital	15	11,250	11,250
Reserves	16	1,083	179
Shareholders' funds			
Equity		2,083	1,179
Non-equity		10,250	10,250
		12,333	11,429

These financial statements were approved by the board of directors on 2 March 1998 and were signed on its behalf by:

WJ Luesley
Director

R Mort
Director

