

SHEPHARD CONFERENCES & EXHIBITIONS LIMITED
(formerly Shephard Conferences Limited)

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 1997

WILLIAMS ALLAN
Chartered Accountants
61 Thames Street
Windsor
Berkshire



SHEPHARD CONFERENCES & EXHIBITIONS LIMITED
(formerly Shephard Conferences Limited)

COMPANY INFORMATION

DIRECTORS:	A D Shephard J M Shephard
SECRETARY:	A D Shephard
REGISTERED OFFICE:	111 High Street Burnham Buckinghamshire
COMPANY REGISTRATION NO:	02343006
BANKERS:	National Westminster Bank plc 63 High Street Burnham Buckinghamshire Citibank International plc PO Box 5350 Hammersmith Grove London
AUDITORS:	Williams Allan Chartered Accountants 61 Thames Street Windsor Berkshire
SOLICITORS	Park Nelson 1 Bell Yard London

SHEPHARD CONFERENCES & EXHIBITIONS LIMITED
(formerly Shephard Conferences Limited)

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SHEPHARD CONFERENCES & EXHIBITIONS LIMITED
(formerly Shephard Conferences Limited)

REPORT OF THE DIRECTORS

The directors present their report together with the financial statements and report of the auditors for the year ended 31 December 1997.

PRINCIPAL ACTIVITY

The company is principally engaged in the business of the organisation and staging of conferences.

By a special resolution dated 26 March 1997 the company resolved to change its name to Shephard Conferences & Exhibitions Limited. The change of name was effective from 22 April 1997.

DIRECTORS AND THEIR INTERESTS

The directors in office at the end of the year are listed below. Both served on the board throughout the year.

No director held any beneficial interest in the shares of the company or its fellow subsidiary companies at 31 December 1997 or at any time during the year then ended. The interests of the directors in the shares of the ultimate parent company are disclosed in the financial statements of that company.

Directors

A D Shephard

J M Shephard

DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

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 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 the going concern basis unless it is inappropriate to presume 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 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.

SHEPHARD CONFERENCES & EXHIBITIONS LIMITED
(formerly Shephard Conferences Limited)

REPORT OF THE DIRECTORS
(continued)

CLOSE COMPANY STATUS

The directors are of the opinion that the company is a close company within the provisions of the Income and Corporation Taxes Act 1988.

CHARITABLE CONTRIBUTIONS

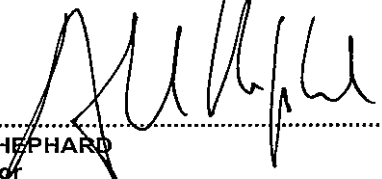
Donations to charitable organisations amounted to £775 (1996: £nil).

AUDITORS

Williams Allan offer themselves for reappointment as auditors in accordance with Section 385 of the Companies Act 1985.

The above report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Signed on behalf of the board of directors



.....
A D SHEPHARD
Director

Approved by the board on: 16 OCTOBER 1998

REPORT OF THE AUDITORS

TO THE SHAREHOLDERS OF

SHEPHARD CONFERENCES & EXHIBITIONS LIMITED (formerly Shephard Conferences Limited)

We have audited the financial statements on pages 4 to 10 which have been prepared under the historical cost convention and the accounting policies set out on page 4.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND 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 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 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 as at 31 December 1997 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

.....
WILLIAMS ALLAN
Chartered Accountants and Registered Auditor
61 Thames Street
Windsor
Berkshire

Date: 21 OCTOBER 1998

SHEPHARD CONFERENCES & EXHIBITIONS LIMITED
(formerly Shephard Conferences Limited)

ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 DECEMBER 1997

The principal accounting policies of the company have remained unchanged from the previous period, and are set out below.

a) **Basis of accounting**

The financial statements are prepared under the historical cost convention. The financial statements include the results of the company's operations as indicated in the report of the directors, all of which are continuing.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

b) **Tangible fixed assets**

Depreciation

Depreciation is calculated to write down the cost less estimated residual value of the following tangible fixed assets by equal annual instalments over their expected useful lives.

The rates applicable are:

Office furniture and equipment	- 20%
Computer equipment	- 25%

Depreciation is calculated on the reducing balance method and aims to write down the cost less estimated residual value of the following tangible fixed assets over their expected useful lives.

The rate applicable is:

Motor vehicles	- 25%
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c) **Taxation**

Deferred taxation represents the amount required to allow for the effect of certain items of income and expense (primarily depreciation) being attributable for tax purposes to periods different from those in which credits or charges are recorded in the financial statements, and is computed using the liability method, whereby such taxation is determined by applying the rate of tax applicable at the balance sheet date to the accumulated timing differences.

Deferred taxation is not provided where in the opinion of the directors, there is reasonable evidence that such taxation will not become payable in the foreseeable future and there is no indication that the situation will change thereafter.

d) **Foreign currency**

Normal trading activities denominated in foreign currencies are recorded in sterling at the average exchange rate for the period. Monetary assets and liabilities denominated in foreign currencies at the period end are reported at the rates of exchange prevailing at that date. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is reported as an exchange gain or loss in the profit and loss account.

e) **Turnover**

Turnover is the total amount receivable by the company in the ordinary course of business for services provided.

f) **Leasing commitments**

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the term of the lease.

SHEPHARD CONFERENCES & EXHIBITIONS LIMITED
(formerly Shephard Conferences Limited)

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 1997

	<u>Note</u>	<u>1997</u> £	<u>1996</u> £
Turnover	1	1,002,794	794,917
Cost of sales		<u>(666,315)</u>	<u>(393,172)</u>
Gross profit		336,479	401,745
Administrative expenses		<u>(403,532)</u>	<u>(343,441)</u>
Operating loss (1996: profit)		(67,053)	58,304
Interest receivable and similar income		<u>4,110</u>	<u>9,731</u>
Loss (1996: profit) on ordinary activities before taxation	2	(62,943)	68,035
Tax on loss (1996: profit) on ordinary activities	3	<u>14,426</u>	<u>(17,341)</u>
Loss (1996: profit) for the financial year		(48,517)	50,694
Dividends:			
- ordinary dividend on equity shares	4	<u>-</u>	<u>(100,000)</u>
		(48,517)	(49,306)
Retained profit brought forward		<u>52,902</u>	<u>102,208</u>
Retained profit carried forward		<u>4,385</u>	<u>52,902</u>

There were no recognised gains or losses other than those passing through the profit and loss account.

The accounting policies on page 4 and notes on pages 7 to 10 form part of these financial statements.

SHEPHARD CONFERENCES & EXHIBITIONS LIMITED
(formerly Shephard Conferences Limited)

BALANCE SHEET

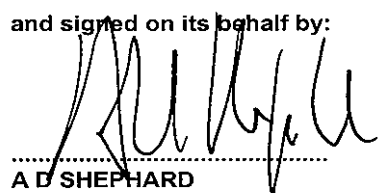
31 DECEMBER 1997

	<u>Note</u>	<u>1997</u> £	<u>1996</u> £
Fixed assets			
Tangible assets	5	<u>22,736</u>	<u>22,168</u>
Current assets			
Debtors	6	361,450	405,330
Cash at bank and in hand		<u>136,244</u>	<u>90,105</u>
		497,694	495,435
Creditors			
Amounts falling due within one year	7	<u>(516,043)</u>	<u>(464,699)</u>
Net current liabilities (1996: assets)		<u>(18,349)</u>	<u>30,736</u>
Net assets		<u>4,387</u>	<u>52,904</u>
Capital and reserves			
Called up share capital	8	2	2
Profit and loss account	9	<u>4,385</u>	<u>52,902</u>
Shareholders' funds (all equity interests)	10	<u>4,387</u>	<u>52,904</u>

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The financial statements were approved by the board of directors on 16 October 1998

and signed on its behalf by:



.....
A D SHEPHARD
 Director

The accounting policies on page 4 and notes on pages 7 to 10 form part of these financial statements.

SHEPHARD CONFERENCES & EXHIBITIONS LIMITED
(formerly Shephard Conferences Limited)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 1997

1. Turnover

Turnover attributable to geographical markets outside the United Kingdom amounted to 39% (1996: 32%).

2. <u>Loss (1996: profit) on ordinary activities before taxation</u>	<u>1997</u> £	<u>1996</u> £
Loss (1996: profit) on ordinary activities before taxation is stated after charging:		
Depreciation and amounts written off:		
- tangible fixed assets	9,044	1,556
Auditors' remuneration	2,100	2,000
Directors' emoluments from the company	-	-
Foreign currency translation losses	<u>-</u>	<u>900</u>
and after crediting:		
Foreign currency translation gains	<u>3,607</u>	<u>-</u>
3. <u>Tax on loss (1996: profit) on ordinary activities</u>	<u>1997</u> £	<u>1996</u> £
Corporation tax payable at 25% and 24%	-	(16,036)
Receipt for group relief	14,213	-
Taxation overprovided (1996: underprovided) in previous periods:		
- corporation tax	<u>213</u>	<u>(1,305)</u>
	<u>14,426</u>	<u>(17,341)</u>
4. <u>Dividends</u>	<u>1997</u> £	<u>1996</u> £
Equity dividend on ordinary shares:		
Final paid of £nil per share (1996: £50,000 per share)	<u>-</u>	<u>100,000</u>

SHEPHARD CONFERENCES & EXHIBITIONS LIMITED
(formerly Shephard Conferences Limited)

NOTES TO THE FINANCIAL STATEMENTS
(continued)
FOR THE YEAR ENDED 31 DECEMBER 1997

5. Tangible fixed assets

**Plant and
machinery etc**
£

Cost:

At 1 January 1997

27,558

Additions

9,612

At 31 December 1997

37,170

Depreciation:

At 1 January 1997

5,390

Provided in the year

9,044

At 31 December 1997

14,434

Net book amount at:

31 December 1997

22,736

31 December 1996

22,168

6. Debtors

1997
£

1996
£

Trade debtors

171,170

70,275

Amounts owed by group undertakings

141,934

268,335

Other debtors

48,346

66,720

361,450

405,330

7. Creditors: amounts falling due within one year

1997
£

1996
£

Trade creditors

47,060

79,330

Amounts owed to group undertakings

174,342

200,342

Other creditors

294,641

185,027

516,043

464,699

SHEPHARD CONFERENCES & EXHIBITIONS LIMITED
(formerly Shephard Conferences Limited)

NOTES TO THE FINANCIAL STATEMENTS
(continued)
FOR THE YEAR ENDED 31 DECEMBER 1997

8.	<u>Called up share capital</u>	<u>1997</u>		<u>1996</u>	
		Authorised £	Allotted, called up and fully paid £	Authorised £	Allotted, called up and fully paid £
	Ordinary shares of £1 each	<u>10,000</u>	<u>2</u>	<u>10,000</u>	<u>2</u>

9. Reserves

Of total reserves shown in the balance sheet, the following amounts are regarded as distributable:

	<u>1997</u> £	<u>1996</u> £
Distributable:		
Profit and loss account	<u>4,385</u>	<u>52,902</u>

10.	<u>Reconciliation of movements in shareholders' funds</u>	<u>1997</u> £	<u>1996</u> £
	Loss (1996: profit) for the financial year	(48,517)	50,694
	Dividends	<u>-</u>	<u>(100,000)</u>
	Net reduction in shareholders' funds	(48,517)	(49,306)
	Opening shareholders' funds	<u>52,904</u>	<u>102,210</u>
	Closing shareholders' funds	<u>4,387</u>	<u>52,904</u>

11. Contingent liability

The company has guaranteed the bank indebtedness of a fellow subsidiary undertaking. At 31 December 1997 the sum due to the bank amounted to £98,718 (1996 £53,045).

12. Ultimate parent company and ultimate controlling party

The directors regard Shephard Publications Limited, as the ultimate parent company.

The directors regard A D Shephard, a director of the company, as the ultimate controlling party by virtue of his majority interest in the equity capital of Shephard Publications Limited. According to the register kept by the company, Shephard Publications Limited has a 100% interest in the equity capital of Shephard Conferences & Exhibitions Limited.

SHEPHARD CONFERENCES & EXHIBITIONS LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
(continued)
FOR THE YEAR ENDED 31 DECEMBER 1997

13. **Related party transactions**

<u>Name of related party</u>	<u>Relationship</u>	<u>Details of transactions</u>	<u>Amounts</u> £
Shephard Publications Limited	Parent company	Net transfer of funds from parent company	131,500
		Rental costs charged by parent company	12,500
The Shephard Press Limited	Fellow subsidiary company	Net transfer of funds to fellow subsidiary company	228,032
		Payment of revenue costs by fellow subsidiary company on behalf of Shephard Conferences & Exhibitions Limited	247,754
		Management and rental costs charged by fellow subsidiary company	96,313
		Payment of revenue costs by Shephard Conferences & Exhibitions Limited on behalf of fellow subsidiary company	100,042
		Received for group relief	14,213
Shephard Conferences & Exhibitions SDN BHD	Fellow subsidiary company	Payment of revenue costs by Shephard Conferences & Exhibitions Limited on behalf of fellow subsidiary company	31,261
		Management costs charged to fellow subsidiary company	14,116

Shephard Conferences & Exhibitions Limited has guaranteed a bank overdraft granted to a fellow subsidiary company, The Shephard Press Limited, in the sum of £98,718.