

SHEPHARD CONFERENCES & EXHIBITIONS LIMITED
(formerly Shephard Conferences Limited)

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 1996

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 1996.

PRINCIPAL ACTIVITY

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

EVENTS SINCE THE END OF THE YEAR

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.

M Stagg resigned from the board of directors on 4 October 1996.

No director held any beneficial interest in the shares of the company or its fellow subsidiary companies at 31 December 1996 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

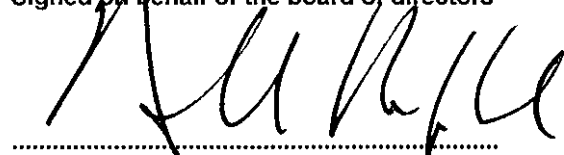
The directors are of the opinion that the company is a close company within the provisions of the Income and Corporation Taxes Act 1988.

AUDITORS

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

Advantage has been taken in the preparation of this report of the special exemptions applicable to small companies under Part II of Schedule 8 to the Companies Act 1985.

Signed on behalf of the board of directors



A D SHEPHARD
Director

Approved by the board on:

19/9/97

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 1996 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.

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

Date: 22 SEPTEMBER 1997

SHEPHARD CONFERENCES & EXHIBITIONS LIMITED
(formerly Shephard Conferences Limited)

ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 DECEMBER 1996

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

The rates applicable are:

Office furniture and equipment	- 25%
Motor vehicles	- 25%

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 1996

	<u>Note</u>	12 months to 31 December 1996 £	14 months to 31 December 1995 £
Turnover	1	794,917	683,438
Cost of sales		(393,172)	(376,433)
Gross profit		401,745	307,005
Administrative expenses		(343,441)	(247,775)
Operating profit		58,304	59,230
Interest receivable and similar income		9,731	15,998
Profit on ordinary activities before taxation	2	68,035	75,228
Tax on profit on ordinary activities	3	(17,341)	(16,911)
Profit for the financial year		50,694	58,317
Dividends:			
- ordinary dividend on equity shares	4	(100,000)	-
		(49,306)	58,317
Retained profit brought forward		102,208	43,891
Retained profit carried forward		<u>52,902</u>	<u>102,208</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 1996

	<u>Note</u>	<u>1996</u> £	<u>1995</u> £
Fixed assets			
Tangible assets	5	<u>22,168</u>	<u>6,224</u>
Current assets			
Debtors	6	405,330	404,886
Cash at bank and in hand		<u>90,105</u>	<u>149,824</u>
		495,435	554,710
Creditors			
Amounts falling due within one year	7	<u>(464,699)</u>	<u>(458,724)</u>
Net current assets		<u>30,736</u>	<u>95,986</u>
Net assets		<u>52,904</u>	<u>102,210</u>
Capital and reserves			
Called up share capital	9	2	2
Profit and loss account	10	<u>52,902</u>	<u>102,208</u>
Shareholders' funds (all equity interests)	11	<u>52,904</u>	<u>102,210</u>

The directors have taken advantage of the exemptions conferred by Part I of Schedule 8 to the Companies Act 1985 on the grounds that the company is entitled to the benefit of those exemptions as a small company.

The financial statements were approved by the board of directors on 19 SEPTEMBER 1997
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 1996

1. **Turnover**

Turnover attributable to geographical markets outside the United Kingdom amounted to 32% (1995: 69%).

2. **Profit on ordinary activities before taxation**

12 months to 31 December <u>1996</u> £	14 months to 31 December <u>1995</u> £
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Profit on ordinary activities before taxation is stated after charging:

Depreciation and amounts written off:

- tangible fixed assets	1,556	2,436
Auditors' remuneration	2,000	2,000
Directors' emoluments	-	-
Foreign currency translation losses	<u>900</u>	<u>-</u>

and after crediting:

Foreign currency translation gains	<u>-</u>	<u>4,130</u>
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3. **Tax on profit on ordinary activities**

12 months to 31 December <u>1996</u> £	14 months to 31 December <u>1995</u> £
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Corporation tax at 25% and 24% (1995: 25%)	16,036	19,490
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Taxation underprovided (1995 overprovided) in previous periods:

- corporation tax	<u>1,305</u>	<u>(2,579)</u>
	<u>17,341</u>	<u>16,911</u>

4. **Dividends**

12 months to 31 December <u>1996</u> £	14 months to 31 December <u>1995</u> £
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Equity dividend on ordinary shares:

Final paid of £50,000 per share (1995: £nil per share)	<u>100,000</u>	<u>-</u>
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SHEPHARD CONFERENCES & EXHIBITIONS LIMITED
(formerly Shephard Conferences Limited)

NOTES TO THE FINANCIAL STATEMENTS
(continued)
FOR THE YEAR ENDED 31 DECEMBER 1996

5. Tangible fixed assets

	Plant and machinery etc £
Cost:	
At 1 January 1996	10,058
Addition	<u>17,500</u>
At 31 December 1996	<u>27,558</u>
Depreciation:	
At 1 January 1996	3,834
Provided in the year	<u>1,556</u>
At 31 December 1996	<u>5,390</u>
Net book amount at:	
31 December 1996	<u>22,168</u>
31 December 1995	<u>6,224</u>

6. <u>Debtors</u>	<u>1996</u> £	<u>1995</u> £
Trade debtors	70,275	125,206
Amounts owed by group undertakings	268,335	247,057
Other debtors	<u>66,720</u>	<u>32,623</u>
	<u>405,330</u>	<u>404,886</u>

7. <u>Creditors: amounts falling due within one year</u>	<u>1996</u> £	<u>1995</u> £
Trade creditors	79,330	5,490
Amounts owed to group undertakings	200,342	226,992
Other creditors	<u>185,027</u>	<u>226,242</u>
	<u>464,699</u>	<u>458,724</u>

SHEPHARD CONFERENCES & EXHIBITIONS LIMITED
(formerly Shephard Conferences Limited)

NOTES TO THE FINANCIAL STATEMENTS
(continued)
FOR THE YEAR ENDED 31 DECEMBER 1996

8. Pensions

In the period to 31 December 1995, the company contributed towards a defined contribution pension scheme operated by a fellow subsidiary company, Shephard Press Limited, for particular employees. The assets of the scheme are held separately from those of the company in an independently administered fund. Total contributions due amounted to £527 (1996: £nil) and there were no unpaid contributions outstanding at the year end.

9. <u>Called up share capital</u>	<u>1996</u>		<u>1995</u>	
	<u>Authorised</u> £	Allotted, called up and fully paid £	<u>Authorised</u> £	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>

10. Reserves

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

	<u>1996</u> £	<u>1995</u> £
Distributable:		
Profit and loss account	<u>52,902</u>	<u>102,208</u>

11. Reconciliation of movements in shareholders' funds

	<u>1996</u> £	<u>1995</u> £
Profit for the financial year	50,694	58,317
Dividends	(100,000)	-
Net reduction (1995: addition) to shareholders' funds	(49,306)	58,317
Opening shareholders' funds	<u>102,210</u>	<u>43,893</u>
Closing shareholders' funds	<u>52,904</u>	<u>102,210</u>

SHEPHARD CONFERENCES & EXHIBITIONS LIMITED
(formerly Shephard Conferences Limited)

NOTES TO THE FINANCIAL STATEMENTS
(continued)
FOR THE YEAR ENDED 31 DECEMBER 1996

12. Capital commitments

The company had no capital commitments at 31 December 1996 or at 31 December 1995.

13. Ultimate parent company and ultimate controlling party

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

The directors regard A D Shephard 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.

15. Related party transactions

<u>Name of related party</u>	<u>Relationship</u>	<u>Details of transactions</u>	<u>Amounts</u> £	Balance outstanding 31 December
				1996 £
Shephard Publications Limited	Parent company	Net transfer of funds to parent company	56,335	268,335 debtor
Shephard Press Limited	Fellow subsidiary company	Net transfer of funds to fellow subsidiary company	289,402	172,563 creditor
		Payment of revenue costs by fellow subsidiary company on behalf of Shephard Conferences & Exhibitions Limited	98,411	
		Management and rental costs charged by fellow subsidiary company	136,562	
Shephard Conferences & Exhibitions SDN BHD	Fellow subsidiary company	Net transfer of funds from fellow subsidiary company	66,403	27,779 creditor
		Payment of revenue costs by Shephard Conferences & Exhibitions Limited on behalf of fellow subsidiary company	3,568	