

FESPA LIMITED

Company No: 2449446

FINANCIAL STATEMENTS

- for the year ended -

31ST DECEMBER 1999



GOODMAN JONES
Chartered Accountants
29/30 Fitzroy Square
London, W1P 6LQ

Reference JB/3141/JB

FESPA LIMITED

DIRECTORS

M. Caza
L.A. Barrow
R.R. Delgado
H. Frey
G. Kovacs
A. Nielsson
E. Steijn

SECRETARY

D. H. A. Down

BUSINESS ADDRESS

7a West Street
Reigate
Surrey
RH2 9BL

REGISTERED OFFICE

7a West Street
Reigate
Surrey
RH2 9BL

AUDITORS

Goodman Jones
Chartered Accountants
29/30 Fitzroy Square
London
W1P 6LQ

PRINCIPAL BANKERS

National Westminster Bank plc
21 High Street
Reigate
Surrey
RH2 9AD

FESPA LIMITED

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FESPA LIMITED

REPORT OF THE DIRECTORS

The directors present their report and audited financial statements for the year ended 31 December 1999.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company is the collation, preparation and dissemination of information of interest to the screen printing industry.

The Federation is funded by grants from the Screen Printing Development Foundation in the Netherlands.

The company is limited by guarantee and does not have a share capital.

The directors are satisfied with the results for the year and look forward to the future with confidence.

DIVIDENDS

The directors do not recommend payment of a dividend.

DIRECTORS AND THEIR INTERESTS

The directors at the balance sheet date and their interests in the company at that date and at the beginning of the year (or on appointment if later), were as follows:

<u>Class of shares</u>	<u>Number of shares</u>	
	<u>1999</u>	<u>1998</u>
H.C.F. Van Den Berg (Dutch)	-	-
M. Caza (French)	-	-
L.A. Barrow	-	-
R.R. Delgado (Spanish)	-	-
H. Frey (German)	-	-
G. Kovacs (Hungarian)	-	-
P. Nielsen (Danish)	-	-
	-	-
	-	-

K. Sperisen was appointed on 10 March 2000 and D. H. A. Down resigned on 22 October 1999. On 6 October 2000 H.C.F. Van den Berg, P. Nielsen and K. Sperisen resigned and on the same date A. Nielsson and E. Steijn were appointed as directors.

DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year 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;
- 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.

GUARANTORS

Every member is a guarantor to the extent of £1 only.

FESPA LIMITED

REPORT OF THE DIRECTORS (Continued)

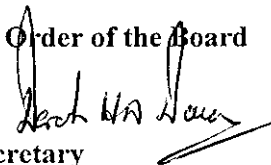
AUDITORS

The auditors, Goodman Jones, Chartered Accountants, are willing to be reappointed in accordance with section 385 of the Companies Act 1985.

Date: 3 February 2001

By Order of the Board

Secretary

A handwritten signature in dark ink, appearing to read "John W. A. Jones", is written over the printed word "Secretary". The signature is fluid and cursive.

FESPA LIMITED

**AUDITORS' REPORT TO THE SHAREHOLDERS OF
FESPA LIMITED**

We have audited the financial statements on pages 4 to 9 which have been prepared under the historical cost convention and the accounting policies set out in note 1 to the financial statements.

Respective responsibilities of the directors and auditors

As described in the Directors' Report 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 affairs of the company as at 31 December 1999 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



GOODMAN JONES
Chartered Accountants
Registered Auditors

29/30 Fitzroy Square
London
W1P 6LQ

Date: 6/2/2001

FESPA LIMITED**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER 1999**

	Notes	1999 £	1998 £
TURNOVER		273,990	307,848
Administrative expenses		(313,761)	(285,668)
		(39,771)	22,180
Other operating income		7,000	16,000
OPERATING LOSS	2	(32,771)	38,180
Interest receivable	3	-	166
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	2	(32,771)	38,346
Tax on loss on ordinary activities	5	6,175	(8,558)
LOSS FOR THE FINANCIAL YEAR	9	(26,596)	29,788

None of the company's activities were acquired or discontinued during the above two financial years.

The company has no recognised gains or losses other than those dealt with in the profit and loss account.

The notes on pages 6 to 9 form part of these financial statements.

FESPA LIMITED**BALANCE SHEET AT 31ST DECEMBER 1999**

	Notes	1999 £	1998 £
FIXED ASSETS			
Tangible assets	6	4,063	9,405
CURRENT ASSETS			
Debtors	7	55,685	50,379
Cash at bank and in hand		11,642	52,181
		<u>67,327</u>	<u>102,560</u>
CREDITORS: Amounts falling due within one year	8	<u>(46,156)</u>	<u>(60,135)</u>
NET CURRENT ASSETS		21,171	42,425
TOTAL ASSETS LESS CURRENT LIABILITIES		25,234	51,830
CAPITAL AND RESERVES			
Profit and loss account	9	25,234	51,830
SHAREHOLDERS FUNDS	10	25,234	51,830

The financial statements were approved
by the board, on *3 February 2001*
and signed on its behalf by

.....)
[Signature]) Directors
.....)

The notes on pages 6 to 9 form part of these financial statements.

FESPA LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 1999

1. ACCOUNTING POLICIES

1.1 BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention.

FESPA receives a major part of its annual income from grants made by the Screenprinting Development Federation in the Netherlands (SDF). The directors of the SDF are the same as for FESPA. During the year under review, a full investigation into the affairs of the SDF disclosed that Mr C van den Berg, a director of FESPA and the SDF, made inappropriate and unauthorised financial investments without the knowledge or consent of the Board of the SDF.

Mr van den Berg has resigned as a director of FESPA and the SDF. Approximately one third of the funds have now been recovered and action has been taken to recover the balance. Cash flow forecasts have been prepared indicating that FESPA has the necessary funds to continue operating until additional funds are received from exhibition revenue at the end of 2001. On this basis the directors believe that it is appropriate to prepare the financial statements on a going concern basis.

1.2 TURNOVER

Turnover represents the total invoice value, excluding value added tax, of goods sold and services rendered during the year.

1.3 DEPRECIATION

Depreciation is provided using the following rates and bases to reduce by annual instalments the cost, less estimated residual value, of the tangible assets over their estimated useful lives:-

Fixtures and fittings	20% Straight line
Motor vehicles	25% Straight line

1.4 DEFERRED TAXATION

Deferred taxation is provided where there is a reasonable probability of the amount becoming payable in the foreseeable future.

2. OPERATING LOSS

	1999 £	1998 £
The operating loss is stated after charging:		
Depreciation	7,142	6,536
Auditors' remuneration	2,800	2,500

3. INTEREST RECEIVABLE

	1999 £	1998 £
Bank and other interest receivable	-	166

FESPA LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 1999

4. DIRECTORS AND EMPLOYEES

	1999 £	1998 £
Staff costs:		
Wages and salaries	132,963	116,087
Social security costs	12,872	10,988
	<u>145,835</u>	<u>127,075</u>

The average number of employees during the year was made up as follows:

	Number	Number
Administration	4	4

Directors' emoluments:

	£	£
Remuneration for management services	35,000	35,500

5. TAX ON LOSS ON ORDINARY ACTIVITIES

	1999 £	1998 £
The taxation credit comprises:		
U.K. corporation tax at 20% (1998 - 21%)	-	8,558
Adjustment in respect of prior years	(6,175)	-
	<u>(6,175)</u>	<u>8,558</u>

6. TANGIBLE ASSETS

	Fixtures and fittings £	Motor vehicles £	Total £
<u>Cost</u>			
At 1 January 1999	13,123	15,650	28,773
Additions	1,800	-	1,800
At 31 December 1999	<u>14,923</u>	<u>15,650</u>	<u>30,573</u>
<u>Depreciation</u>			
At 1 January 1999	7,632	11,736	19,368
Charge for year	3,230	3,912	7,142
At 31 December 1999	<u>10,862</u>	<u>15,648</u>	<u>26,510</u>
<u>Net book value at 31 December 1999</u>	<u>4,061</u>	<u>2</u>	<u>4,063</u>
<u>Net book value at 31 December 1998</u>	<u>5,491</u>	<u>3,914</u>	<u>9,405</u>

FESPA LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 1999****7. DEBTORS**

	1999 £	1998 £
Other debtors	20,849	22,228
Prepayments and accrued income	34,836	28,151
	<u>55,685</u>	<u>50,379</u>

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	1999 £	1998 £
Corporation tax	-	8,558
Taxes and social security costs	3,530	3,480
Accruals and deferred income	42,626	48,097
	<u>46,156</u>	<u>60,135</u>

9. PROFIT AND LOSS ACCOUNT

	1999 £	1998 £
Retained profits at 1 January 1999	51,830	16,042
Prior year adjustment	-	6,000
Retained profits at 1 January 1999 as restated	<u>51,830</u>	<u>22,042</u>
Loss for the financial year	(26,596)	29,788
Retained profits at 31 December 1999	<u>25,234</u>	<u>51,830</u>

FESPA LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 1999

10. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1999 £	1998 £
Loss for the financial year	(26,596)	29,788
Shareholders' funds at 1 January 1999	51,830	16,042
Prior year adjustment	-	6,000
Shareholders' funds at 1 January 1999 as restated	51,830	22,042
Shareholders' funds at 31 December 1999	25,234	51,830
Represented by:-		
Equity interests	25,234	51,830
	25,234	51,830

Following the introduction of Financial Reporting Standard 12 the company has changed its accounting policy to remove the provision for repairs and maintenance to its leasehold premises.

To conform with this change in accounting policy, accruals have been reduced by £7,000 at 31 December 1998 and the comparative figures in these financial statements have been restated accordingly. In restating the results for the year ended 31 December 1998 £1,000 has been credited to profit in that year and the directors estimate that the effect of the charge on the profit for the year ended 31 December 1999 is also a credit to the profit of £1,000.

11. RELATED PARTY DISCLOSURES

Control of the company is vested in the individual members, the individual Screen Printing Associations of various European countries. No one member has overall control.

As disclosed in the Directors Report, the company is funded by grants from the Screen Printing Development Foundation in the Netherlands. Members of the company are also members of the Foundation. Income received during the year was £270,340 (1998: £300,671).

The former director and current company secretary, D. Down is also company secretary of The European Screen Printing Manufacturers Association Ltd. The company invoices The European Screen Printing Manufacturers Association Ltd for expenses incurred on their behalf. This totalled £7,000 for the year ended 31 December 1999 (1998: £16,000).