

FESPA LIMITED

Company No: 2449446

FINANCIAL STATEMENTS

- for the year ended -

31 DECEMBER 1997

GOODMAN JONES

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

Reference JB/3141/RCM



FESPA LIMITED

DIRECTORS

L.A. Barrow
M. Caza
R.R. Delgado
H.C.F. Van Den Berg
P. Nielsen
G. Kovacs
H. Frey
D.H.A. Down

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 the audited financial statements for the year ended 31 December 1997.

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.

On 12 March 1998 the company changed its name from Federation of European Screen Printers Associations Limited to FESPA Limited.

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:

L.A. Barrow
M. Caza (French)
R.R. Delgado (Spanish)
H.C.F. Van Den Berg (Dutch)
P. Nielsen (Danish)
G. Kovacs (Hungarian)
D.H.A. Down
H. Frey (German)

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.

FESPA LIMITED

REPORT OF THE DIRECTORS (Continued)

GUARANTORS

Every member is a guarantor to the extent of fl only.

AUDITORS

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

Date: *< 25 September 1998 >*

By Order of the Board

[Signature]
Secretary

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 on 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 1997 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

GOODMAN JONES

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Chartered Accountants
Registered Auditors

29/30 Fitzroy Square
London
W1P 6LQ

Date: 30/9/98

FESPA LIMITED**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 1997**

	Notes	1997 £	1996 £
TURNOVER		251,766	203,510
Administrative expenses		(270,059)	(196,533)
		(18,293)	6,977
Other operating income		14,000	14,000
OPERATING LOSS	2	(4,293)	20,977
Interest receivable	3	153	143
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(4,140)	21,120
Tax on loss on ordinary activities	5	348	(5,092)
LOSS FOR THE FINANCIAL YEAR	9	(3,792)	16,028

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 31 DECEMBER 1997**

	Notes	1997 £	1996 £
FIXED ASSETS			
Tangible assets	6	14,712	14,923
CURRENT ASSETS			
Debtors	7	29,274	12,938
Cash at bank and in hand		20,319	30,310
		<u>49,593</u>	<u>43,248</u>
CREDITORS: Amounts falling due within one year	8	<u>(48,263)</u>	<u>(38,337)</u>
NET CURRENT ASSETS		<u>1,330</u>	<u>4,911</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>16,042</u>	<u>19,834</u>
CAPITAL AND RESERVES			
Profit and loss account	9	<u>16,042</u>	<u>19,834</u>
SHAREHOLDERS FUNDS	10	<u>16,042</u>	<u>19,834</u>

The financial statements were approved
by the board on *25 September 98*
and signed on its behalf by

.....)
.....) Directors
.....)

Michael O'Farrell
C. van der Berg

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

FESPA LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1997

1. ACCOUNTING POLICIES

1.1 BASIS OF ACCOUNTING

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

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

The operating loss is stated after charging:

Depreciation	6,331	5,106
Auditors' remuneration	2,000	1,600
	<hr/>	<hr/>

3. INTEREST RECEIVABLE

Bank and other interest receivable

1997	1996
£	£
153	143
<hr/>	<hr/>
153	143
<hr/>	<hr/>

FESPA LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1997

4. DIRECTORS AND EMPLOYEES	1997	1996
	£	£
Staff costs:		
Wages and salaries	116,913	99,821
Social security costs	10,612	10,418
	<hr/>	<hr/>
	127,525	110,239
	<hr/>	<hr/>
The average number of employees during the year was made up as follows:	Number	Number
Administration	2	3
	<hr/>	<hr/>
Directors' emoluments:	£	£
Remuneration for management services	34,000	38,000
	<hr/>	<hr/>
 5. TAX ON LOSS ON ORDINARY ACTIVITIES	 1997	 1996
	£	£
The taxation credit comprises:		
U.K. corporation tax at 21% (1996 - 24%)	-	5,092
Adjustment in respect of prior years	(348)	-
	<hr/>	<hr/>
	(348)	5,092
	<hr/>	<hr/>

FESPA LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1997****6. TANGIBLE ASSETS**

<u>Cost</u>	Beginning of year £	Additions £	Disposals £	End of year £
Fixtures and fittings	7,265	6,120	(1,491)	11,894
Motor vehicles	15,650	16,008	(16,008)	15,650
	<u>22,915</u>	<u>22,128</u>	<u>(17,499)</u>	<u>27,544</u>
<u>Depreciation</u>	Beginning of year £	Charge for year £	On disposals £	End of year £
Fixtures and fittings	4,080	2,419	(1,491)	5,008
Motor vehicles	3,912	3,912	-	7,824
	<u>7,992</u>	<u>6,331</u>	<u>(1,491)</u>	<u>12,832</u>
	Beginning of year £			End of year £
<u>Total net book values</u>	<u>14,923</u>			<u>14,712</u>

7. DEBTORS

	1997 £	1996 £
Other debtors	10,089	2,200
Prepayments and accrued income	19,185	10,738
	<u>29,274</u>	<u>12,938</u>

**8. CREDITORS: AMOUNTS FALLING DUE
WITHIN ONE YEAR**

	1997 £	1996 £
Corporation tax	-	5,092
Taxes and social security costs	5,128	2,590
Other creditors	-	72
Accruals and deferred income	43,135	30,583
	<u>48,263</u>	<u>38,337</u>

FESPA LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1997

9. PROFIT AND LOSS ACCOUNT

	1997 £	1996 £
Retained profits at 1 January 1997	19,834	3,806
Loss for the financial year	(3,792)	16,028
Retained profits at 31 December 1997	16,042	19,834

10. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1997 £	1996 £
Loss for the financial year	(3,792)	16,028
Shareholders' funds at 1 January 1997	19,834	3,806
Shareholders' funds at 31 December 1997	16,042	19,834
Represented by:-		
Equity interests	16,042	19,834
	16,042	19,834

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 £248,066 (1996: £175,111).

The director and company secretary, D. Down is also company secretary of the 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 £14,000 for the year ended 31 December 1997 (1996: £14,000).