

THE INTERNATIONAL GROUP OF
ACCOUNTING FIRMS EUROPE LIMITED

FINANCIAL STATEMENTS

- for the year ended -

31 MAY 1997



R M WILLGOOSE
CHARTERED ACCOUNTANT
Chestnut End, Leddington
Ledbury, Herefordshire HR8 2LG

THE INTERNATIONAL GROUP OF ACCOUNTING FIRMS EUROPE LTD

A Company Limited by Guarantee and not having a Share Capital

Registered in England No. 1551690

DIRECTORS

J C Aarup
A A Woods
T Lundsgaard

SECRETARY

D I Walker

REGISTERED OFFICE

102 Friar Gate
Derby
DE1 1FH

AUDITOR

R M Willgoose
Chartered Accountant
Chestnut End, Leddington
Ledbury
Herefordshire HR8 2LG

BANKERS

ING Bank
Melis Spaansweg 178
2132 BJ Hoofddorp
The Netherlands

THE INTERNATIONAL GROUP OF ACCOUNTING FIRMS EUROPE LTD

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THE INTERNATIONAL GROUP OF ACCOUNTING FIRMS EUROPE LTD

REPORT OF THE DIRECTORS

The directors present their report and the audited financial statements for the year ended 31 May 1997.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The company has continued to co-ordinate the activities of 'The International Group of Accounting Firms' throughout Europe, from Hoofddorp, The Netherlands.

The directors are satisfied with the state of the company's affairs at 31 May 1997.

FIXED ASSETS

The movements in fixed assets during the year are set out in note 7 to the financial statements.

DIRECTORS

The directors who have held office during the year were as stated below.

J C Aarup
A A Woods
T Lundsgaard

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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 its profit or loss for that period. In preparing those financial statements the directors are required to:-

- (a) Select suitable accounting policies and then apply them consistently.
- (b) Make judgements and estimates that are reasonable and accurate.
- (c) Prepare the financial statements on a 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.

AUDITOR

In accordance with section 385 of the Companies Act 1985, a resolution proposing the re-appointment of R M Willgoose as auditor to the company will be put to the annual general meeting.

By  Order of the Board
D I Walker
Secretary

Date: 28 August 1997

THE INTERNATIONAL GROUP OF ACCOUNTING FIRMS EUROPE LTD

AUDITOR'S REPORT TO THE MEMBERS OF THE INTERNATIONAL GROUP OF ACCOUNTING
FIRMS EUROPE LTD

I have audited the financial statements on pages 3 to 9 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

Respective responsibilities of directors and auditor

As described on page 1 the directors of the company are responsible for the preparation of financial statements. It is my responsibility to form an independent opinion, based on my audit, on those financial statements and to report my opinion to you.

Basis of opinion

I conducted my 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.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide myself 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 my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In my opinion the financial statements give a true and fair view of the state of the company's affairs at 31 May 1997 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


R M WILLGOOSE

REGISTERED AUDITOR
CHARTERED ACCOUNTANT

Chestnut End, Leddington
Ledbury
Herefordshire HR8 2LG

28 August 1997

THE INTERNATIONAL GROUP OF ACCOUNTING FIRMS EUROPE LTD

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MAY 1997

	Notes	1997 £	1996 £
TURNOVER	3	168,824	194,738
Cost of sales		(15,428)	(27,057)
GROSS PROFIT		153,396	167,681
Administrative expenses		(151,837)	(167,334)
OPERATING PROFIT	4	1,559	347
Interest receivable		329	143
Interest payable	5	-	(12)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,888	478
Tax on profit on ordinary activities		-	-
RETAINED PROFIT FOR THE FINANCIAL YEAR		£ 1,888	£ 478

- Continuing operations - None of the company's activities were acquired or discontinued during the above two financial years.
- Note of historical cost profits and losses - The difference between the results disclosed above and the results on an unmodified historic cost basis is not material.

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

THE INTERNATIONAL GROUP OF ACCOUNTING FIRMS EUROPE LTD

BALANCE SHEET AT 31 MAY 1997

	Notes	£	1997 £	£	1996 £
FIXED ASSETS					
Tangible assets	7		2,470		745
CURRENT ASSETS					
Stocks	8	908		1,414	
Debtors	9	22,458		22,605	
Cash at bank		43,647		66,055	
			67,013		90,074
CREDITORS: Amounts falling due within one year	10	(51,033)		(71,217)	
NET CURRENT ASSETS			15,980		18,857
			£ 18,450		£ 19,602
CAPITAL AND RESERVES					
Profit and loss account			18,450		19,602
			£ 18,450		£ 19,602

The financial statements were approved
by the board on 28 August 1997 and
signed on its behalf by

J C Aarup) Director
T Lundsgaard) Director

J.C. Aarup
T. Lundsgaard

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

THE INTERNATIONAL GROUP OF ACCOUNTING FIRMS EUROPE LTD

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 MAY 1997

	1997 £	1996 £
Profit for the financial year	1,888	478
Currency translation differences	(3,040)	-
Total recognised gains and losses for the financial year	<u>£ (1,152)</u>	<u>£ 478</u>

RECONCILIATION OF MOVEMENTS IN MEMBERS' FUNDS
FOR THE YEAR ENDED 31 MAY 1997

	1997 £	1996 £
Profit for the financial year	1,888	478
Other recognised gains and losses relating to the financial year	(3,040)	-
Net movement in members' funds	<u>(1,152)</u>	<u>478</u>
Members' funds at 1 June 1996	19,602	19,124
Members' funds at 31 May 1997	<u>£ 18,450</u>	<u>£ 19,602</u>

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

THE INTERNATIONAL GROUP OF ACCOUNTING FIRMS EUROPE LTD

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

1. ACCOUNTING POLICIES

1.1 BASIS OF ACCOUNTING

The financial statements have been prepared in accordance with applicable accounting standards under the historical cost convention.

1.2 CASHFLOW STATEMENT

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

1.3 TURNOVER

Turnover represents membership dues, initial joining fees and conference receipts during the year.

1.4 DEPRECIATION

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

Computer	33.33% Straight line
Furniture, fixtures and equipment	25% Straight line

1.5 STOCK

Stock is valued at the lower of cost and estimated net realisable value.

1.6 FOREIGN EXCHANGE

Assets and liabilities in foreign currencies are translated into sterling at the rates ruling at the end of the financial year. The exchange differences arising as a result of re-stating retained profits to closing rates are dealt with as movements on reserves, all other profits and losses on exchange being credited or charged to operating profit.

2. MEMBERS' GUARANTEES

The company is a company limited by guarantee. Under its Memorandum of Association, the liability of each member is limited to £1.

3. TURNOVER

Turnover is attributable to the one principal activity of the company carried on within the United Kingdom and Europe.

THE INTERNATIONAL GROUP OF ACCOUNTING FIRMS EUROPE LTD

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

4.	OPERATING PROFIT	1997	1996
		£	£
	The operating profit is stated after charging:-		
	Depreciation	565	3,302
	Auditor's remuneration	750	750
	Loss on foreign exchange	1,702	909
	Operating lease - motor vehicle	6,944	1,315
		<u> </u>	<u> </u>

5.	INTEREST PAYABLE	1997	1996
		£	£
	On bank overdraft	-	12
		<u> </u>	<u> </u>
		£ -	£ 12
		<u> </u>	<u> </u>

6.	DIRECTORS AND EMPLOYEES	1997	1996
		£	£
	Staff costs:-		
	Wages and salaries	58,775	66,280
	Benefits	3,457	2,253
	Social security costs	4,563	5,494
		<u> </u>	<u> </u>
		£ 66,795	£ 74,027
		<u> </u>	<u> </u>

Directors' remuneration is attributable to one director solely. In addition the company had one further employee during the year.

	£	£
Directors' emoluments for the year	£ 52,956	£ 57,428
	<u> </u>	<u> </u>

THE INTERNATIONAL GROUP OF ACCOUNTING FIRMS EUROPE LTD

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

7. TANGIBLE FIXED ASSETS

<u>Cost</u>	Beginning of year £	Additions £	End of year £
Computer	1,470	960	2,430
Furniture, fixtures and equipment	1,107	1,330	2,437
	<u>2,577</u>	<u>£ 2,290</u>	<u>4,867</u>
 <u>Depreciation</u>	 Beginning of year £	 Charge for year £	 End of year £
Computer	1,450	127	1,577
Furniture, fixtures and equipment	382	438	820
	<u>1,832</u>	<u>£ 565</u>	<u>2,397</u>
	Beginning of year		End of year
<u>Total net book values</u>	<u>£ 745</u>		<u>£ 2,470</u>

8. STOCKS

	1997 £	1996 £
Folders and leaflets	908	1,414
	<u>£ 908</u>	<u>£ 1,414</u>

9. DEBTORS

	1997 £	1996 £
Membership dues	4,460	4,713
Other debtors	15,475	14,882
Prepayments and accrued income	2,523	3,010
	<u>£ 22,458</u>	<u>£ 22,605</u>

THE INTERNATIONAL GROUP OF ACCOUNTING FIRMS EUROPE LTD

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

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	1997 £	1996 £
Membership dues in advance	32,488	66,592
Conference fees received in advance	12,379	-
Taxes and social security costs	1,068	2,505
Other creditors	5,098	2,120
	<hr/>	<hr/>
	£ 51,033	£ 71,217
	<hr/>	<hr/>