



Four-Go

"Four-Go - for you"

Four-Go

Könyvelő, Könyvvizsgáló és Kereskedelmi
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**AUDITOR'S REPORT
TO THE BOARD OF DIRECTORS
OF THE
INTERNATIONAL BODYGUARD & SECURITY SERVICES ASSOCIATION**

I have audited the accompanying Balance Sheets and Profit and Loss Statements of the IBSSA for the year ended 31 December, 2000.

The audit was conducted in accordance with the International Standards of Auditing, requiring me to plan and perform the audit in such a way as to obtain reasonable assurance about whether the financial statements are true and are free of material misstatements.

The audit included the examination, on a test basis, of evidence supporting the amounts and disclosures in the financial statements as well as the assessment of the accounting principles used and the evaluation of overall financial statements presentation. I believe that my audit provided a reasonable basis for forming an opinion.

In my opinion the financial statements audited present fairly, in all material aspects, the financial position of the IBSSA as at 31 December, 2000, and the result of its operations for the year then ended, in conformity with generally accepted accounting principles.

Thomas O. Szabo, B.Ec, AASA.

Budapest, 05 April, 2001.

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First Attachment to the Audit Report dated 05.04.2001:

A brief introduction and professional background – My name is Thomas O. Szabo, I am a Bachelor of Economics from Fribourg University Switzerland, and an Australian Public Accountant and Company Auditor registered under number 5898 in accordance with the provisions of the Companies Act of the State of New South Wales, Australia, since 1966.

I have worked in Sydney, Australia, in various executive accounting positions since then, joining Price Waterhouse in 1985 as its National Office Accountant, responsible for the consolidation of the financial results of all Australian Offices, as well as the Papua New Guinean, Indonesian and Fijian Offices.

In 1990 I requested, and was granted, a transfer to the then newly established Price Waterhouse Office in Budapest, Hungary, as head of its Finance Department.

I have left this firm in 1994 to become a shareholder and Managing Director, of an Accounting and Auditing Company called Four-Go Ltd, an Australian/Hungarian joint venture.

Second Attachment to the Audit Report dated 05.04.2001:

It is indeed not part of the Audit Report but I feel it is my duty to point out that certain members, more, I fear, than in the previous year, failed to pay their membership dues to the Association.

To illustrate, the following losses have been incurred since 1997:

1997	USD 19.401,-
1998	USD 16.566,-
1999	USD 31.013,-
2000	USD 29.351,-

a total so far of USD 96.115,- ! No Association can afford these types of losses year after year, leaving not much choice to Management but to either to expel the offending members, or to drastically increase membership fees, neither solutions being to the benefit of existing membership.

I have made you aware of this situation in my last year's Audit Report but it seems to me that despite your Treasurer's valiant efforts to keep the Association going and finishing the year with a small profit, the increasing amount of losses indicates a total lack of cooperation in this respect, because some members do not appear to face up to their corporate responsibilities despite these warning signals.