

## FIAF - PIP STATUS

### 1. STATED OBJECTIVES

- Management and staff efficiency

To have both FIAF and PIP daily operations « put under one roof ».  
This will ensure :

- \* better coordination and cohesion ;
- \* better management and staff efficiency (allocation of tasks) ;
- \* uniformity and computerization of procedures (in particular accounting and invoicing).

- Savings

- (1) Rental savings

The present lease allows for important savings in the next years (50% to PIP, 25% to FIAF);

- (2) VAT :

To become VAT registered in Belgium to recuperate VAT on expense and purchases of furniture/equipment (mostly 21%) with the minimum of administrative formalities and no need for a new legal entity.

### 2. LEGAL STATUS

As indicated in our preceding memorandum date August 29<sup>th</sup> 1996, the overall schema (see annex C) is as follows :

- \* FIAF  
Unchanged, except that editing and publications activities are transferred to PIP.
- \* PIP (Already VAT registered in UK)  
Editing and publishing body of FIAF with two sections : PIP-Belgium and PIP-UK  
Under the Belgian law PIP-UK may open a foreign office in Brussels.

Keeping an address in UK will have the following advantages :

- ⇒ No new legal entity necessary in Belgium ;
- ⇒ Minimum administration formalities ;
- ⇒ Immediate VAT recuperation in Belgium ;
- ⇒ Possibility to benefit of the lower UK rates on invoices within the EU Community (see annex B)
- ⇒ Distribution and production in UK will remain possible, if needed..

### 3. ADMINISTRATION

- Sales invoices
  - \* Prepared in Brussels on FIAF paper with the PIP-UK address
  - \* Payments made to the PIP-Belgium account in Brussels (BEF/GBP/USD)
- Purchases
  - \* Purchases : through PIP-Belgium, in order to recuperate 21% VAT.
- Agreement FIAF - PIP-Belgium
  - \* FIAF pays expenses without VAT (rent, salaries) in exchange of PIP-Belgium paying expenses with VAT.
- The PIP-UK account will be kept in existence for local payments, with a minimum of cash.

### 4. Power of SIGNATURE

Our recommendation is to extend the general rules, currently applied to FIAF, to PIP-Belgium as well than to PIP-UK.

### 5. ORGANIZATION

- The current organization chart is presented on the annex A.  
A new Organigramme will result from a comprehensive discussion about FIAF's activities during the EC meeting.
- The analysis of this chart is characterized by :
  - \* similar administration tasks in FIAF/PIP are performed by different persons. MM purchase order processing and invoicing : this prevents to spend precious time to product development.
  - \* CV has a series of responsibilities in different areas. This results in :
    - ⇒ difficulty (impossibility) to meet minimum professional standards ;
    - ⇒ conflicting priorities such as :
      - . basic accounting/editing of Journal ;
      - . editing of journal/journal subscriptions ;
      - . basic accounting/sales administration and subscribers services

⇒ there is no computerization of the sales administration tasks resulting into :

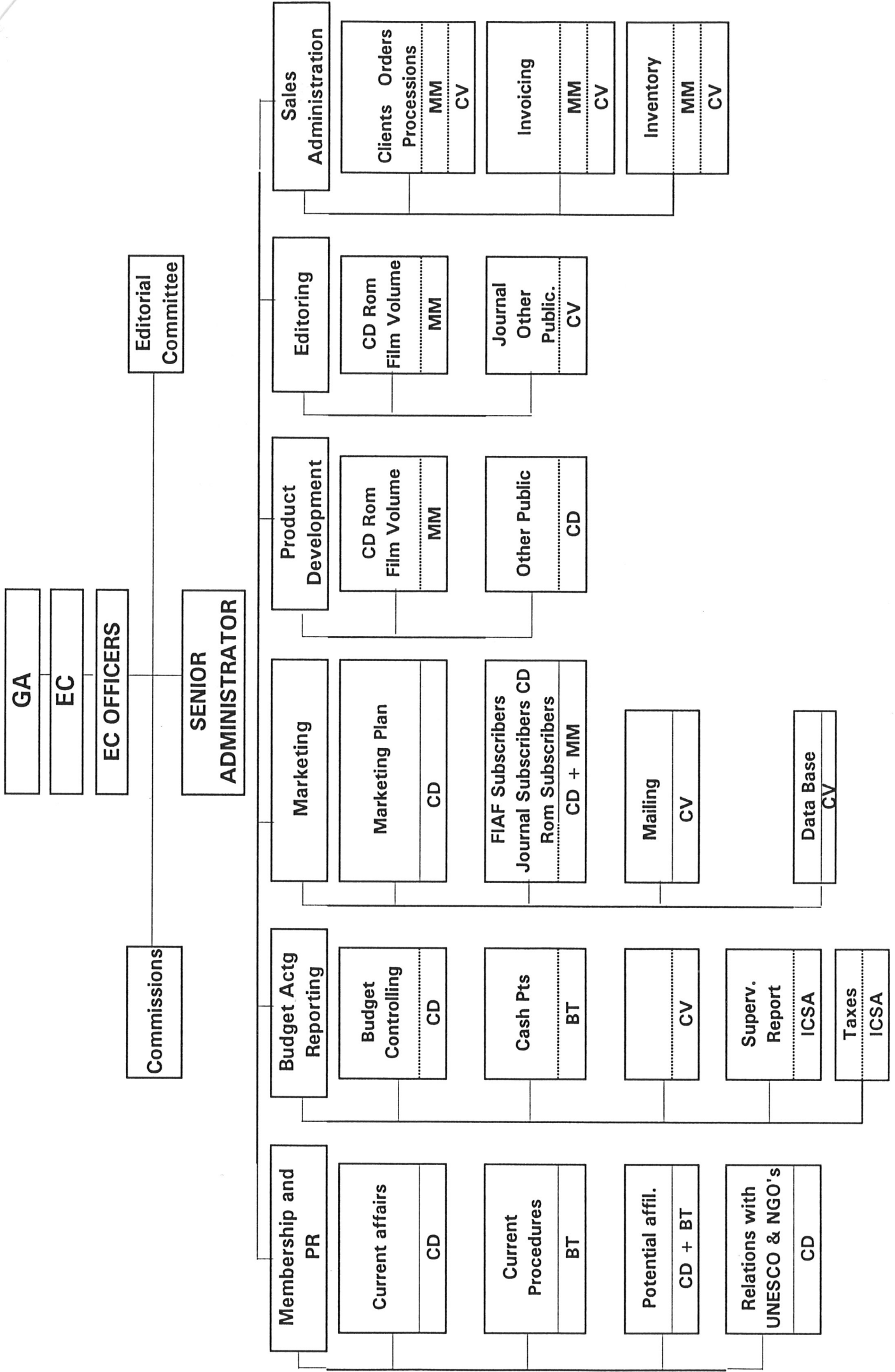
- . high level of errors ;
- . lack of up to date status ;
- . lack of reliable statutes ;
- . low productivity ;
- . sloppy filing

- Our recommendation is as follows :
  - \* Analyze and evaluate in detail FIAF and PIP sales administration procedures ;
  - \* Adapt existing procedure with the staff to have organization and procedures meeting the need (quantity, quality, cost efficiency, zero delay) ;
  - \* Evaluate computerization possibilities (small standard software) with costs and benefits of possible alternative.

## 6. TIMING

- PIP-UK with its staff (MM-AB) has moved to Rue Defacqz office on October 1<sup>st</sup> 1996 and will be completely operational on November 1<sup>st</sup> 1996 with a PIP-Belgium bank account already opened ;
- VAT registration operation : first VAT recoup file will be entered on December 15<sup>th</sup> 1996;
- Transfer of FIAF Editing-Publication activities to PIP-Brussels on January 1<sup>st</sup> 1997;
- FIAF will move to the new office on January 15<sup>th</sup> 1997;
- Analyzing and evaluation of organization and procedures : Target Date : January 12<sup>th</sup> 1997;
- Adaptation/computerization costs/benefits : Target Date : January 31<sup>st</sup> 1997;
- Implementation of procedures : Target Date : March 30<sup>th</sup> 1996.

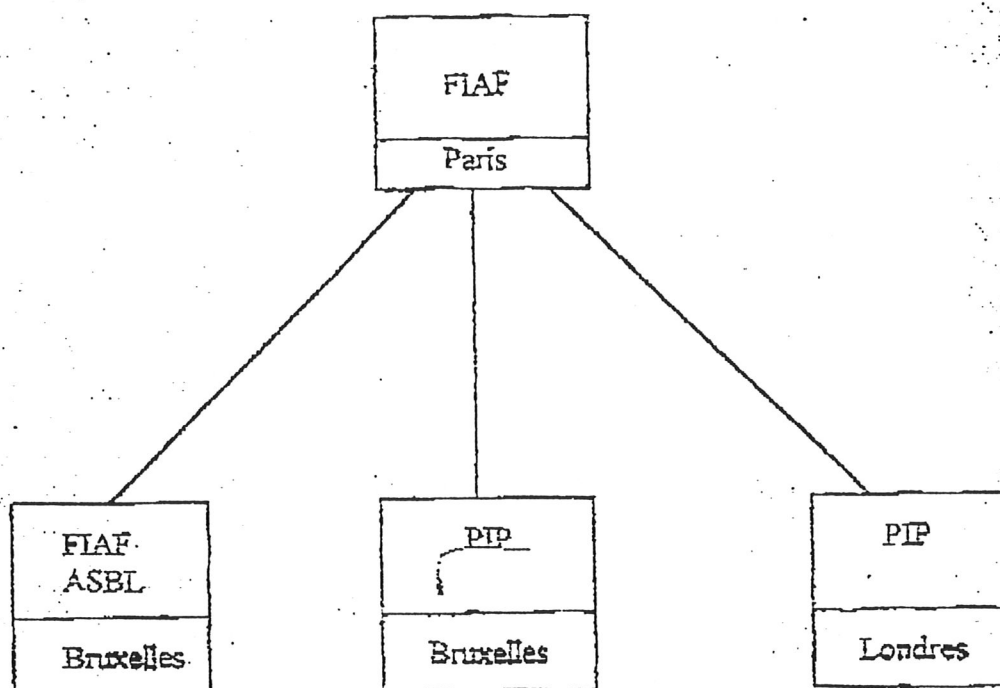
**PRESENT ORGANISATION CHART**



**FIAF - PIP  
FINANCIAL DATA**

	<u>Belgium</u>	<u>UK</u>
<b><u>VAT</u></b>		
<b><u>Sales</u></b>		
CD Roms	21%	17.50%
Books	6%	0%
Periodicals	6%	0%
Others	21%	17.50%
<b><u>Purchases</u></b>		
Salaries	0%	0%
Fees (Editing, Accouting)	21%	17.50%
Telephone	21%	17.50%
Supplies	21%	17.50%
Equipment (PC,...)	21%	17.50%
Printing		
Books/Periodicals	6%	? %
Others	21%	17.50%
Rent	0%	0%

Transfert par organisme français (siège social à Paris) de son centre d'activités commercial de Londres vers Bruxelles avec maintien en Grande Bretagne de la distributions des livres.



Activités:

Bruxelles:

Création, édition, promotion et ventes de publications sous forme de livres périodiques, CD ROM, Multimedia etc.

Grande Bretagne:

Stock et distribution des livres.

Forme Juridique:

Belgique:

Etablissement étranger à but commercial. (assujetti TVA)  
Localisation à Bruxelles.

Grande Bretagne:

Adresse à Londres