

Registered No. 3304685

YORKSHIRE EXHIBITION SERVICES LIMITED

Report and Accounts

For the year ended 31 December 2002



Yorkshire Exhibition Services Limited

Registered No. 03304685

DIRECTOR

H Froehling
N Raab

SECRETARY

V Cameron

AUDITORS

PricewaterhouseCoopers LLP
Harman House
1 George Street
Uxbridge
Middlesex
UB8 1QQ

BANKERS

National Westminster Bank PLC
The Piazza
National Exhibition Centre
Birmingham
B40 1PJ

SOLICITORS

Cobbetts
Ship Canal House
King Street
Manchester
M2 4WB

REGISTERED OFFICE

Unit 17/21
2nd Exhibition Avenue
Birmingham
B40 1PJ

Yorkshire Exhibition Services Limited

DIRECTOR'S REPORT

The directors present their report and accounts for the year ended 31 December 2002.

RESULTS AND DIVIDENDS

The profit for the year retained in the company is £49,029 (2001 – £81,966).

The directors do not recommend the payment of a dividend (2002 – £nil).

PRINCIPAL ACTIVITY

The company's principal activity during the year is that of lifting and freight forwarding for the exhibition industry.

The company's immediate holding company is Danzas Limited, a company incorporated in England and Wales, which itself is ultimately owned by Deutsche Post AG, a company incorporated in Germany.

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The directors regard the trading performance of the company as satisfactory and anticipate that the company will continue to trade profitably in the foreseeable future.

DIRECTORS AND THEIR INTERESTS

The directors of the company during the period and their interest in the shares of the company as recorded in the register of directors' interests were as follows:

	2002 Ordinary Shares	2001 Ordinary Shares
H Froehling	15	15
N Raab	-	-

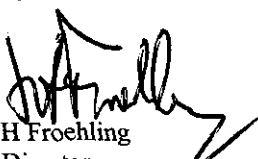
AUDITORS

Following the conversion of our auditors PricewaterhouseCoopers to a Limited Liability Partnership (LLP) from 1 January 2003, PricewaterhouseCoopers resigned on 13 February 2003 and the directors appointed its successor, PricewaterhouseCoopers LLP, as auditors. A resolution to reappoint PricewaterhouseCoopers LLP as auditors of the company will be proposed at the Annual General Meeting.

SMALL COMPANY EXEMPTIONS

This report is prepared in accordance with the provisions of Part VII of the Companies Act 1985 relating to small companies.

By order of the board


H Froehling
Director
29 October 2003

Yorkshire Exhibition Services Limited

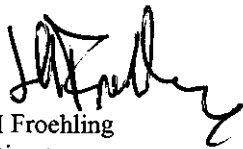
STATEMENT OF DIRECTOR'S RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

UK company law requires the directors to prepare accounts for each financial period 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 accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts 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 accounts 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.

By order of the Board



H Froehling
Director
29 October 2003

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
YORKSHIRE EXHIBITION SERVICES LIMITED**

We have audited the financial statements, which comprise the profit and loss account, the balance sheet and the related notes.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report and the financial statements, in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom auditing standards issued by the Auditing Practices Board. This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or in to whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the United Kingdom Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

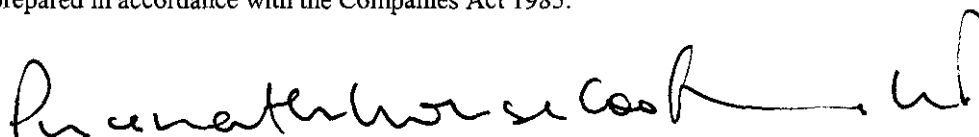
Basis of audit opinion

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 at 31 December 2002 and of the profit of the Company for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
West London

29 October 2003

Yorkshire Exhibition Services Limited

PROFIT AND LOSS ACCOUNT at 31 December 2002

	Notes	2002 £	2001 £
TURNOVER	2	1,230,246	1,338,409
Cost of sales		(429,327)	(528,475)
GROSS PROFIT		800,919	809,934
Administrative expenses		(727,871)	(695,220)
OPERATING PROFIT	3	73,048	114,714
Interest receivable and similar income	6	733	-
Interest payable and similar charges	7	-	(5,200)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		73,781	109,514
Tax on profit on ordinary activities	8	(24,752)	(27,548)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	13	49,029	81,966

The results for the year are derived entirely from continued operations.

The company has no recognised gains and losses other than the profits stated above. Accordingly, a separate statement of recognised gains and losses has not been prepared.

There is no material difference between the profit on ordinary activities before taxation and the profits stated above and their historical cost equivalents.

The notes on pages 7 to 14 form part of these accounts.

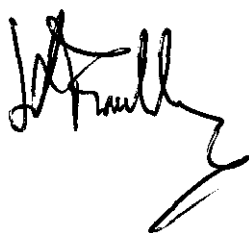
Yorkshire Exhibition Services Limited

BALANCE SHEET at 31 December 2002

	Note	2002 £	2001 £
FIXED ASSETS			
Tangible fixed assets	9	45,465	48,630
CURRENT ASSETS			
Debtors	10	222,986	189,067
Cash at bank and in hand		56,576	132,672
CREDITORS: amounts falling due within one year	11	279,562 (272,694)	321,739 (317,065)
NET CURRENT ASSETS		6,868	4,674
TOTAL ASSETS LESS CURRENT LIABILITIES		52,333	53,304
CREDITORS: amounts falling due after more than one year	11	-	(50,000)
NET ASSETS		52,333	3,304
CAPITAL AND RESERVES			
Called up share capital	12	100	100
Profit and loss account	13	52,233	3,204
EQUITY SHAREHOLDERS' FUNDS	14	52,333	3,304

Approved by the board of directors on 29 October 2003 and were signed on its behalf by:

H Froehling
Director



The notes on pages 7 to 14 form part of these accounts.

NOTES TO THE ACCOUNTS

at 31 December 2002

1. ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's accounts.

Basis of preparation

The accounts have been prepared in accordance with accounting standards applicable in the United Kingdom, and under the historical cost convention.

Cash flow statement

The company has taken advantage of the exemption from preparing a cash flow statement as conferred by Financial Reporting Standard No. 1 (Revised 1996) on the grounds that it qualifies as a small company under the Companies Act 1985.

Turnover

Turnover represents the amounts (excluding value added tax) derived from the provision of goods and services to customers during the year.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. The cost of tangible fixed assets is their purchase cost, together with any incidental expenses of acquisition.

Depreciation is provided by the company on a straight-line basis on all tangible fixed assets at rates calculated to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Computer equipment/software	-	over 1 to 4 years
Plant & machinery	-	over 5 years
Fixtures and fittings	-	over 5 years

In previous years, depreciation of fixtures and fittings was calculated to write off their cost less estimated residual value over their estimated useful lives at 15% on a reducing balance basis. As result of the change in the basis, the net book value of the assets as at beginning of the year is now being depreciated over their remaining useful lives based on the basis described above.

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

Pension costs

The company is a member of the Danzas (UK) Limited Retirement Benefit Scheme. The scheme provides benefits based on final pensionable pay. The assets of the scheme are held separately from those of the company. Contributions to the scheme are charged to the profit and loss account so as to spread the costs of pensions over employees' working lives with the company. The contributions are determined by a qualified actuary on the basis of triennial valuations using the defined accrued benefit method.

Yorkshire Exhibition Services Limited

NOTES TO THE ACCOUNTS at 31 December 2002

1. ACCOUNTING POLICIES continued

Taxation

The company has adopted FRS 19 'Deferred Tax' during the year and this is reflected in these financial statements.

Deferred tax is now recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

On adoption of FRS 19, the company has changed its accounting policy in respect of deferred tax, although there was no effect on either the current year or comparative figures.

Related party transactions

The company has taken advantage of the exemption under the provisions of FRS8, 'Related Party Disclosures', which requires the disclosure of the details of material transactions between the reporting entity and any related parties, on the grounds that it qualifies as a small company under the Companies Act 1985

2. TURNOVER

In the opinion of the directors, none of the turnover of the company is attributable to geographical markets outside the UK.

3. OPERATING PROFIT

	2002 £	2001 £
Profit on ordinary activities before taxation is stated after charging/(crediting):		
Auditors' remuneration – audit services	-	10,219
Depreciation of tangible fixed assets	19,226	13,750
Operating lease rents – others	42,675	46,201
– plant & machinery	92,063	99,304
Exchange losses/(gains)	427	(290)
	<hr/>	<hr/>

The audit fees for the year are borne by the immediate parent company, Danzas Limited.

Yorkshire Exhibition Services Limited

NOTES TO THE ACCOUNTS at 31 December 2002

4. DIRECTORS' EMOLUMENTS

	2002 £	2001 £
Directors' emoluments:		
Remuneration as executives	66,577	69,067

The number of directors on whose behalf payments are made into a pension scheme was follows:

	2002 No.	2001 No.
Defined benefit scheme	1	1

5. STAFF COSTS

	2002 £	2001 £
Wages and salaries	206,306	117,396
Social security costs	23,250	19,321
Pension costs	18,637	14,328
	248,193	151,045

The average number of persons employed by the Company (including directors) during the year, analysed by category was as follows:

	2002 No.	2001 No.
Management	1	1
Administration	2	2
Operations	6	5
	9	8

6. INTEREST RECEIVABLE AND SIMILAR INCOME

	2002 £	2001 £
On bank balance	733	-

Yorkshire Exhibition Services Limited

NOTES TO THE ACCOUNTS

at 31 December 2002

7. INTEREST PAYABLE AND SIMILAR CHARGES

	2002 £	2001 £
On bank overdraft	-	5,200

8. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2002 £	2001 £
Current tax: UK Corporation tax on profit of the year	24,752	27,548

There is no potential deferred tax liability relating to capital allowances or other timing differences.

The UK corporation tax assessed for the period is in line with the standard rate of corporation tax in the UK once allowance is made for the factors listed:

	2002 £	2001 £
Profit/(loss) on ordinary activities before tax	73,781	109,514
Applying standard rate of UK corporation tax (30%)	22,134	32,854
Effects of:		
Depreciation in excess of capital allowance	2,018	(1,156)
Expenses not deductible for tax purposes	-	2,731
Tax losses utilised	-	(7,156)
Other	600	275
Current UK corporation tax charge	24,752	27,548

Yorkshire Exhibition Services Limited

NOTES TO THE ACCOUNTS at 31 December 2002

9. TANGIBLE FIXED ASSETS

	<i>Plant & Machinery etc £</i>
Cost:	
At 31 December 2001	97,667
Additions	16,061
Fully depreciated assets written off	(35,287)
At 31 December 2002	78,441
Depreciation:	
At 31 December 2001	49,037
Charge for the year	19,226
Fully depreciated assets written off	(35,287)
At 31 December 2002	32,976
Net book value:	
At 31 December 2002	45,465
At 31 December 2001	48,630

10. DEBTORS

	<i>2002 £</i>	<i>2001 £</i>
Trade debtors	168,426	129,624
VAT recoverable	-	22,906
Amounts owed by group undertakings	10,278	28,709
Other debtors and prepayments	44,282	7,828
	222,986	189,067

Trade debtors are presented net of provision for doubtful debts amounting to £4,282 (2001: £4,896).

Yorkshire Exhibition Services Limited

NOTES TO THE ACCOUNTS

at 31 December 2002

11. CREDITORS

	2002	2001
	£	£
<i>Amounts falling due within one year:</i>		
Bank loan	-	17,319
Amounts owed to immediate parent company	41,291	79,511
Advance due to immediate parent company	50,000	50,000
Amounts owed to other related companies	14,220	36,936
Trade creditors	90,213	72,532
Other taxes and social security	17,767	6,426
Corporation tax	24,542	27,548
Other creditors	34,661	26,793
	<u>272,694</u>	<u>317,065</u>

Advance due to immediate parent undertaking is unsecured, bears no interest and repayable within one year.

	2002	2001
	£	£
<i>Amounts falling due after more than one year:</i>		
Advance due to group undertaking	-	50,000
	<u>-</u>	<u>50,000</u>

Advance due to group undertaking was unsecured, interest free and repayable after more than one year.

12. CALLED UP SHARE CAPITAL

	<i>Authorised</i>	
	2002	2001
	£	£
100 ordinary shares of £1 each	100	100
	<u>100</u>	<u>100</u>
	<i>Allotted, called up and fully paid</i>	
	2002	2001
	£	£
100 ordinary shares of £1 each	100	100
	<u>100</u>	<u>100</u>

Yorkshire Exhibition Services Limited

NOTES TO THE ACCOUNTS

at 31 December 2002

13. PROFIT AND LOSS ACCOUNT

	2002	2001
	£	£
At beginning of year	3,204	(78,762)
Profit for the year	49,029	81,966
At end of year	52,233	3,204

14. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2002	2001
	£	£
Retained profit	3,304	81,966
Shareholders' funds at beginning of year	49,029	(78,662)
Shareholders' funds at end of year	52,333	3,304

15. PENSION SCHEME

The Company participates in the Danzas group pension plan in the United Kingdom and Ireland. The group operates a pension scheme, which is designed to provide retirement benefits for all qualified employees based on final pensionable salary. The assets of this funded scheme are held separately from those of the group undertakings. The scheme produces annual audited accounts.

Contributions to the schemes are charged to the profit and loss account so as to spread the cost of pensions over employees working lives with the group.

The contributions are determined by an independent qualified actuary on the basis of triennial valuations using the projected unit credit method.

The most recent actuarial valuation of the Scheme, was performed as at 1 April 2002. The principal assumptions made for the purposes of this valuation were that investment returns would be 6.0% p.a., that salary increases would average 4.0% p.a. and that present and future pensions would increase at the rate of 3.0% p.a.. At 1 April 2002 the market value of the scheme's assets was £8.6m representing 99% of the Minimum Funding Requirement. (MFR)

Based on the results of the 1 April 2002 valuation, the actuary recommended that the company contribution rate be increased to 14.6% of pensionable salaries with effect from 1 January 2003.

Contributions amounting to £18,637 were paid in the period.

Yorkshire Exhibition Services Limited

NOTES TO THE ACCOUNTS

at 31 December 2002

16. OTHER FINANCIAL COMMITMENTS

Annual commitments under non-cancellable operating leases are as follows:

	<i>Land and buildings</i>	<i>Other</i>	<i>Land and buildings</i>	<i>Other</i>
	<i>2002</i>	<i>2002</i>	<i>2001</i>	<i>2001</i>
<i>Operating leases which expire:</i>	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
Within one year	-	13,093	-	-
Within two and five years	-	-	-	13,093
After more than five years	33,000	-	33,300	-
	<u>33,000</u>	<u>13,093</u>	<u>33,300</u>	<u>13,093</u>

17. ULTIMATE PARENT UNDERTAKING

The company's immediate parent undertaking is Danzas Limited, a company incorporated in Great Britain, which is the parent of the smallest group in which the results of the company are consolidated.

Danzas Limited is in turn ultimately owned by Deutsche Post AG, a company incorporated in Germany, which is the parent of the largest group in which the results of the company are consolidated. Copies of Deutsche Post AG and Danzas Limited accounts are available from the Secretary, Danzas Limited, 100 Century House, Church Street, Staines, Middlesex, TW18 4DQ.