

YORKSHIRE EXHIBITION SERVICES LIMITED

Registered No: 03304685

Directors' report and financial statements

For the year ended 31 December 2003



Yorkshire Exhibition Services Limited

COMPANY INFORMATION

DIRECTORS AND ADVISORS

DIRECTORS

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 FOR THE YEAR ENDED 31 DECEMBER 2003

The directors present their report and audited financial statements for the year ended 31 December 2003.

RESULTS AND DIVIDENDS

The profit for the year retained in the company is £177,050 (2002: £49,029).

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:

	2003 Ordinary Shares	2002 Ordinary Shares
H Froehling	15	15
N Raab	-	-

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

UK 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 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 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.

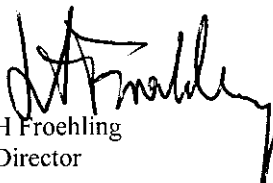
Yorkshire Exhibition Services Limited

DIRECTOR'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2003 (CONTINUED)

AUDITORS

PricewaterhouseCoopers LLP have indicated their willingness to accept re-appointment as auditors and a resolution concerning their reappointment as auditors will be proposed at the Annual General Meeting.

This report was approved by the board on *31 January 2005* and signed on its behalf.


H Froehling
Director

**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 the company's affairs at 31 December 2003 and of its profit 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

31 January 2005

Yorkshire Exhibition Services Limited

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 December 2003

	<i>Notes</i>	<i>2003</i> £	<i>2002</i> £
TURNOVER	2	2,434,550	1,230,246
Cost of sales		(1,160,344)	(429,327)
GROSS PROFIT		1,274,204	800,919
Administrative expenses		(1,007,462)	(727,871)
OPERATING PROFIT	3	266,742	73,048
Interest receivable and similar income	6	3,619	733
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		270,361	73,781
Tax on profit on ordinary activities	7	(93,311)	(24,752)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	12	177,050	49,029

All amounts relate to continuing operations.

The company has no recognised gains and losses other than those included in the profits above and therefore no separate statement of recognised gains and losses has been presented.

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

The notes on pages 7 to 12 form part of these accounts.

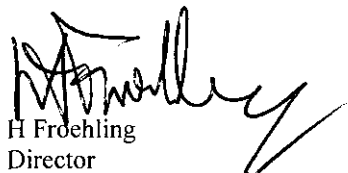
Yorkshire Exhibition Services Limited

BALANCE SHEET

As at 31 December 2003

	Note	2003 £	2002 £
FIXED ASSETS			
Tangible fixed assets	8	30,626	45,465
CURRENT ASSETS			
Debtors	9	767,519	222,986
Cash at bank and in hand		708,475	56,576
		1,475,994	279,562
CREDITORS: amounts falling due within one year	10	(1,277,237)	(272,694)
NET CURRENT ASSETS		198,757	6,868
NET ASSETS		229,383	52,333
CAPITAL AND RESERVES			
Called up share capital	11	100	100
Profit and loss account	12	229,283	52,233
EQUITY SHAREHOLDERS' FUNDS	13	229,383	52,333

The financial statements were approved by the board of directors on 31 January 2005 and were signed on its behalf by:


H Froehling
Director

The notes on pages 7 to 12 form part of these accounts.

Yorkshire Exhibition Services Limited

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2003

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 of financial statements

These financial statements are prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 1985 and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently throughout the year, are set out below.

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 and similar taxes, trade discounts and intra-group transactions) derived from the provision of goods and services to customers in respect of the Group's principal activity during the year. Revenue is generally recognised upon performance of delivery of goods and services provided.

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:

Plant & machinery	-	5 years
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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 resulting 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.

Taxation

Deferred tax is 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.

Yorkshire Exhibition Services Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2003

1. ACCOUNTING POLICIES (continued)

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

	2003 £	2002 £
Profit on ordinary activities before taxation is stated after charging/(crediting):		
Auditors' remuneration – audit services	-	-
Depreciation of tangible fixed assets	20,173	19,226
Operating lease rents – others	47,650	42,675
– plant & machinery	61,722	92,063
Exchange (losses)/gains	(1,092)	427

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

4. DIRECTORS' EMOLUMENTS

	2003 £	2002 £
Directors' emoluments:		
Remuneration as executives	81,652	66,577

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

	2003 No.	2002 No.
Defined benefit scheme	1	1

5. STAFF COSTS

	2003 £	2002 £
Wages and salaries	288,761	206,306
Social security costs	24,104	23,250
Pension costs	19,206	18,637
	332,071	248,193

Yorkshire Exhibition Services Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2003

5. STAFF COSTS (Continued)

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

	2003	2002
	No.	No.
Management	1	1
Administration	2	2
Operations	6	6
	<u>9</u>	<u>9</u>

6. INTEREST RECEIVABLE AND SIMILAR INCOME

	2003	2002
	£	£
On bank balance	3,619	733
	<u>3,619</u>	<u>733</u>

7. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2003	2002
	£	£
Current tax:		
UK Corporation tax on profit of the year	89,332	24,752
Under Provision Prior Year	3,979	-
	<u>93,311</u>	<u>24,752</u>

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:

	2003	2002
	£	£
Profit/(loss) on ordinary activities before tax	270,361	73,781
	<u>270,361</u>	<u>73,781</u>
Applying standard rate of UK corporation tax (30%)	81,108	22,134
Effects of:		
Depreciation in excess of capital allowance	1,778	2,018
Expenses not deductible for tax purposes	6,446	-
Tax losses utilised	-	-
Other	3,979	600
	<u>93,311</u>	<u>24,752</u>

Yorkshire Exhibition Services Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2003

8. TANGIBLE FIXED ASSETS

	<i>Plant & Machinery £</i>
Cost:	
At 31 December 2002	78,441
Additions	5,334
At 31 December 2003	83,775
Depreciation:	
At 31 December 2002	32,976
Charge for the year	20,173
At 31 December 2003	53,149
Net book value:	
At 31 December 2003	30,626
At 31 December 2002	45,465

9. DEBTORS

	<i>2003 £</i>	<i>2002 £</i>
Trade debtors	446,872	168,426
VAT recoverable	37,955	-
Amounts owed by group undertakings	9,474	10,278
Other debtors and prepayments	2,567	44,282
Prepayments and accrued income	270,651	-
	767,519	222,986

Trade debtors are presented net of provision for doubtful debts amounting to £5,472 (2002: £4,282).

10. CREDITORS

	<i>2003 £</i>	<i>2002 £</i>
<i>Amounts falling due within one year:</i>		
Amounts owed to immediate parent company	320,549	41,291
Advance due to immediate parent company	-	50,000
Amounts owed to other related companies	25,725	14,220
Trade creditors	117,593	90,213
Other taxes and social security	-	17,767
Corporation tax	114,085	24,542
Other creditors	428,634	34,661
Accruals and deferred income	270,651	-
	1,277,237	272,694

Yorkshire Exhibition Services Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2003

10. CREDITORS (Continued)

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

Advance due to group undertaking was unsecured, interest free and is repayable within one year.

11. CALLED UP SHARE CAPITAL

	2003	Authorised 2002
	£	£
100 ordinary shares of £1 each	100	100
	<u>100</u>	<u>100</u>
		<i>Allotted, called up and fully paid</i>
	2003	2002
	£	£
100 ordinary shares of £1 each	100	100
	<u>100</u>	<u>100</u>

12. PROFIT AND LOSS ACCOUNT

	2003	2002
	£	£
At beginning of year	52,233	3,204
Profit for the year	177,050	49,029
At end of year	<u>229,283</u>	<u>52,233</u>

13. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2003	2002
	£	£
Shareholders' funds at beginning of year	52,333	49,029
Retained profit	177,050	3,304
Shareholders' funds at end of year	<u>229,383</u>	<u>52,333</u>

14. 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.

Yorkshire Exhibition Services Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2003

14. PENSION SCHEME (Continued)

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, can be found in the Report and Accounts of Danzas Limited for the year ended 31st December 2003.

Contributions amounting to £19,206 (2002: £18,637) were paid in the period.

15. 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>2003</i>	<i>2003</i>	<i>2002</i>	<i>2002</i>
<i>Operating leases which expire:</i>	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
Within one year	-	-	-	13,093
Within two to five years	-	5,500	-	-
After more than five years	27,933	-	33,000	-
	<u>27,933</u>	<u>5,500</u>	<u>33,000</u>	<u>13,093</u>

16. 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.