

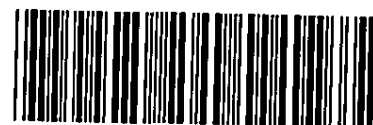
**GES SERVICE COMPANIES LIMITED**

**Report and Financial Statements**

**For the 49 weeks ended 31 December 2007**

**Deloitte & Touche LLP  
Leeds**

**TUESDAY**



**\*AN3T64JM\***  
A23 04/11/2008 276  
COMPANIES HOUSE

# **GES SERVICE COMPANIES LIMITED**

## **REPORT AND FINANCIAL STATEMENTS 2007**

### **CONTENTS**

### **Page**

<b>Officers and professional advisers</b>	<b>1</b>
<b>Directors' report</b>	<b>2</b>
<b>Statement of directors' responsibilities</b>	<b>5</b>
<b>Independent auditors' report</b>	<b>6</b>
<b>Consolidated profit and loss account</b>	<b>7</b>
<b>Consolidated balance sheet</b>	<b>8</b>
<b>Company balance sheet</b>	<b>9</b>
<b>Consolidated cash flow statement</b>	<b>10</b>
<b>Notes to the financial statements</b>	<b>11</b>

# **GES SERVICE COMPANIES LIMITED**

## **REPORT AND FINANCIAL STATEMENTS 2007**

### **OFFICERS AND PROFESSIONAL ADVISERS**

#### **DIRECTORS**

N J Marshall  
P B Dykstra  
E M Ingersoll

#### **SECRETARY**

P D McKenna	(appointed 31 January 2007)
Swift Incorporations Limited	(appointed 25 January 2007, resigned 31 January 2007)

#### **REGISTERED OFFICE**

Unit 1 Perimeter Road  
National Exhibition Centre  
Birmingham  
B40 1PJ

#### **AUDITORS**

Deloitte & Touche LLP  
Chartered Accountants and Registered Auditors  
Leeds

# **GES SERVICE COMPANIES LIMITED**

## **DIRECTORS' REPORT**

The directors present their annual report and the audited consolidated financial statements for the 49 weeks ended 31 December 2007

### **PRINCIPAL ACTIVITIES**

The company was incorporated on 25 January 2007. The company's accounting reference date is 31 December

On 1 February 2007, the company purchased the entire share capital of MES Holdings Limited and Corporate Technical Services Limited for a consideration of £17.7m. The enlarged Group provides exhibition and data registration services to organisers of exhibitions and events, exhibitors and exhibition venues.

Turnover for the Group amounted to £47.8m in the current period. The profit for the period amounted to £1.2m.

The results of the Group continue to develop in line with expectations.

### **DIVIDENDS**

No interim dividend was paid during the period and the directors recommend that no final dividend be declared. Accordingly, the profit for the period of £1.2m will be transferred to the reserves.

### **BUSINESS REVIEW**

The market in which the Group operates continues to be challenging as a result of

- Continuous price pressure on core services flowing from an extremely competitive market
- Smaller niche exhibitions being launched which generate smaller average exhibition revenues but still require the same level of management resource as a larger, more mature exhibition
- Increased Health and Safety regulation
- Scarce availability of skilled resource

However, the market does also present some real opportunities such as

- Development and extension of existing client relationships
- Smaller niche exhibitions maturing into larger exhibitions

### **STRATEGY**

The Group is well positioned to continue delivering and developing its level of profitability through the following strategic objectives:

- Deepening relationships with existing clients
- Targeting new relationships
- Cross selling between divisions
- Seizing and executing exceptional project opportunities

### **RESEARCH AND PRODUCT DEVELOPMENT**

The Group continually looks to innovate and develop new products.

### **PRINCIPAL RISKS AND UNCERTAINTIES**

The management of the business and the execution of the Group's strategy are subject to a number of risks. These are set out below. Risks are formally reviewed by management and appropriate procedures put in place to monitor and mitigate them.

#### *Renewal of Contracts*

The Group is in the enviable position of having a substantial amount of its future revenues contracted on a long-term basis. The loss of a contract could have a detrimental effect on the Group although this could release equipment and resource for use in other exhibitions or events.

# **GES SERVICE COMPANIES LIMITED**

## **DIRECTORS' REPORT**

### **PRINCIPAL RISKS AND UNCERTAINTIES (continued)**

#### *Cancellation of an Event at Short Notice*

The consequences of the above may mean the loss of revenue and because of the short notice an inability to use the equipment on other projects, thus not generating replacement revenues

#### *Health and Safety*

The Group has a stated commitment to and a reputation for rigorous health and safety compliance. An incident relating to the use of company's equipment could have a detrimental effect of the future performance of the company. The Group employs a full time Health and Safety Officer dedicated to ensuring the safety of clients, visitors and staff on site and on the Group's premises

#### *Credit Management*

Credit risk is mitigated by ensuring that a significant proportion of a contract's value is collected before the handover of the project to the client

### **PERFORMANCE MANAGEMENT**

The performance of the Group is continually reviewed formally at executive team meetings. Management accounts are prepared and reviewed each month and on a quarterly basis, trading and cashflows for the remainder of the financial period are reforecast and reviewed in comparison to budget and any previous forecasts completed

### **DIRECTORS AND INTERESTS**

The following directors held office during the period

N J Marshall	(Appointed 31 January 2007)
P B Dykstra	(Appointed 25 January 2007)
E M Ingersoll	(Appointed 25 January 2007)
Instant Companies Limited	(Appointed 25 January 2007, resigned 31 January 2007)

### **CREDITOR PAYMENT POLICY**

Where the supply of goods and services is satisfactory and in the absence of any dispute, the Group's policy is to pay its suppliers in accordance with the terms agreed upon prior to the supply of goods and services. Where no such agreement exists, the Group's policy is to pay suppliers in accordance with the terms contained in the invoice

### **EMPLOYEE INVOLVEMENT**

The Group has a policy of keeping employees informed and seeks their views on matters of common concern. This is principally dealt with through the managers of each division and via regular works council meetings with employees

### **DISABLED EMPLOYEES**

The Group gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a disabled person

Where existing employees become disabled, it is the Group's policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training, career development and promotion to disabled employees wherever appropriate

# GES SERVICE COMPANIES LIMITED

## DIRECTORS' REPORT

### AUDITORS


The directors who held office at the date of approval of this report confirm that

- so far as they are aware, there is no relevant audit information which the company's auditors are unaware, and
- each director has taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information

The confirmation is given and should be interpreted in accordance with the provisions of s234ZA of Companies Act 1985

During the period Deloitte & Touche LLP were appointed as auditors and have expressed their willingness to continue in office as auditors. A resolution to reappoint them will be proposed at the forthcoming Annual General Meeting

Approved by the Board of Directors  
and signed on behalf of the Board



P D McKenna

Secretary

28<sup>th</sup> October 2008

## **GES SERVICE COMPANIES LIMITED**

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK 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 that disclose with reasonable accuracy at any time the financial position of the company and 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.

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GES SERVICE COMPANIES LIMITED**

We have audited the financial statements of GES Service Companies Limited for the 49 weeks ended 31 December 2007 which comprise the Consolidated profit and loss account, the Consolidated and company balance sheets, the Consolidated cash flow statement and the related notes 1 to 23. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditors**

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements. In addition, we report to you if, in our opinion, 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 other transactions is not disclosed.

We read the other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 circumstances of the company and the Group, 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Group and company's affairs as at 31 December 2007 and of the Group's profit for the 49 weeks then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' report is consistent with the financial statements.

*Debbie J Touche* CP

**Deloitte & Touche LLP**

Chartered Accountants and Registered Auditors

30 *Debbie* 2008



## GES SERVICE COMPANIES LIMITED

### CONSOLIDATED PROFIT AND LOSS ACCOUNT 49 Weeks ended 31 December 2007

	Note	2007 £'000
<b>TURNOVER</b>	2	47,787
Cost of sales		(31,209)
<b>Gross profit</b>		16,578
Admin expenses		(14,226)
<b>OPERATING PROFIT</b>		2,352
Interest receivable	5	49
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		2,401
Tax on profit on ordinary activities	6	(1,215)
<b>PROFIT FOR THE FINANCIAL PERIOD</b>	19	1,186

The profit for the financial period is derived entirely from continuing operations

There are no recognised gains or losses in the current period other than the profit for the financial period stated above, therefore no separate statement of total recognised gains and losses has been presented

There is no difference between the results presented on an historical cost basis and those presented above

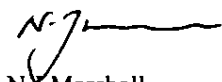
# GES SERVICE COMPANIES LIMITED

## CONSOLIDATED BALANCE SHEET 31 December 2007

	Note	2007 £'000
<b>FIXED ASSETS</b>		
Intangible assets	7	19,599
Tangible assets	8	3,330
		<hr/> 22,929
<b>CURRENT ASSETS</b>		
Stocks	10	655
Debtors	11	29,734
Cash at bank and in hand		5,489
		<hr/> 35,878
<b>CREDITORS, amounts falling due within one year</b>	13	<hr/> (37,576)
<b>NET CURRENT LIABILITIES</b>		<hr/> (1,698)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		21,231
<b>PROVISION FOR LIABILITIES</b>	14	<hr/> (2,320)
<b>NET ASSETS</b>		<hr/> 18,911
<b>CAPITAL AND RESERVES</b>		
Called up share capital	17	-
Share premium account	18	17,725
Profit and loss account	19	1,186
		<hr/> 18,911
<b>SHAREHOLDERS' FUNDS</b>	20	<hr/> 18,911

These financial statements were approved by the Board of Directors on 28<sup>th</sup> October 2008

Signed on behalf of the Board of Directors



N.J. Marshall

Director

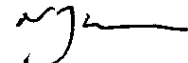
# GES SERVICE COMPANIES LIMITED

## COMPANY BALANCE SHEET 31 December 2007

	Note	2007 £'000
<b>FIXED ASSETS</b>		
Investments	9	17,725
<b>NET ASSETS</b>		<u>17,725</u>
<b>CAPITAL AND RESERVES</b>		
Called up share capital	17	-
Share premium account	18	17,725
Profit and loss account	19	-
<b>SHAREHOLDERS' FUNDS</b>	20	<u>17,725</u>

These financial statements were approved by the Board of Directors on 28<sup>th</sup> October 2008

Signed on behalf of the Board of Directors



N.J. Marshall

Director

# GES SERVICE COMPANIES LIMITED

## CONSOLIDATED CASH FLOW STATEMENT 31 December 2007

	Note	2007 £'000
<b>Net cash inflow from operating activities</b>	16	<u>3,386</u>
<b>Returns on investments and servicing of finance</b>		
Interest Received		<u>49</u>
<b>Net cash inflow from returns on investments and servicing of finance</b>		<u>49</u>
<b>Taxation</b>		
UK Corporation tax paid		<u>(540)</u>
<b>Capital Expenditure and financial investment</b>		
Purchase of tangible fixed assets		(1,916)
Sales proceeds from disposal of tangible fixed assets		<u>43</u>
<b>Cash outflow from capital expenditure and financial investment</b>		<u>(1,873)</u>
<b>Acquisitions and disposals</b>		
Purchase of subsidiary undertakings		(17,725)
Cash acquired with subsidiary undertakings		<u>2,974</u>
<b>Cash outflow from acquisitions and disposals</b>		<u>(14,751)</u>
<b>Financing</b>		
Issue of ordinary share capital		<u>17,725</u>
<b>Net cash inflow from financing</b>		<u>17,725</u>
<b>Increase in cash in the period</b>		<u>3,996</u>
<b>Cash at balance sheet date consists of:</b>		
Cash at bank and in hand		5,489
Bank overdraft (note 13)		<u>(1,493)</u>
		<u>3,996</u>

# GES SERVICE COMPANIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the 49 weeks ended 31 December 2007

### 1. ACCOUNTING POLICIES

#### Basis of preparation

These financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 1985, through consistent application of these accounting policies

#### Basis of consolidation

The Group financial statements consolidate the accounts of the Company and all its subsidiary undertakings made up to 31 December for each year. Business combinations are accounted for by the acquisition method of accounting. The results of subsidiary undertakings acquired during the period are included in the consolidated profit and loss account from the effective date of acquisition. Those companies sold during the period are included up to the effective date of disposal. Turnover and profits arising on trading between Group companies are eliminated fully on consolidation.

On acquisition of a subsidiary, all of the subsidiary's assets and liabilities that exist at the date of acquisition are recorded at their fair values reflecting their condition at that date. All changes to these assets and liabilities that arise after the Group gained control of the subsidiary are charged or credited to the post acquisition profit and loss account.

The result for the financial year dealt with in the financial statements of the parent company was £nil. As permitted by section 230 of the Companies Act 1985, no separate profit and loss account is presented in respect of the parent company.

#### Investments

Fixed asset investments are shown at cost less, where appropriate, provision for impairment.

#### Goodwill

Goodwill is calculated as the difference between the cost of an acquired entity or business and the aggregate of the fair values of that entity's or business's separately identifiable assets and liabilities at the date of acquisition. Positive purchased goodwill is capitalised in the balance sheet at cost and amortised over its estimated useful life, not exceeding 20 years, on a straight line basis.

#### Tangible fixed assets

The cost of tangible fixed assets is their purchase cost, together with any incidental expense of acquisition.

Depreciation is provided by the Group 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:

Assets held for hire	2 to 5 years
Plant and equipment	2 to 5 years
Leasehold improvements	10 years or over the lease term if shorter
Office equipment and furniture	5 to 10 years
Motor vehicles	4 to 6 years

Tangible fixed assets acquired as part of businesses acquired are depreciated over the remaining estimated useful economic lives of those assets.

# **GES SERVICE COMPANIES LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**For the 49 weeks ended 31 December 2007**

### **1. ACCOUNTING POLICIES (continued)**

#### **Leases**

Costs in respect of operating leases are charged to the profit and loss account on a straight line basis over the life of the lease

#### **Stocks and work in progress**

Stocks and work in progress are valued at the lower of cost and net realisable value. Provision is made where necessary for obsolete, slow moving and defective stock

#### **Taxation**

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date

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. Deferred tax is measured on a non-discounted basis

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

Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements

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 from which the future reversal of the underlying timing differences can be deducted

#### **Pension costs**

The Group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Group in independently administered funds. Contributions to the scheme are charged to the profit and loss account in the year in which accrued

#### **Turnover**

Turnover which excludes value added tax and trade discounts, represents the value of goods and services supplied

Turnover for short term events is recognised at the end of the event

#### **Provision for bad debts**

Provisions for bad debts are made against specific balances that are considered by the Group to be irrecoverable, or where there may exist a risk that a debtor balance may not be fully recoverable

# GES SERVICE COMPANIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the 49 weeks ended 31 December 2007

### 2. TURNOVER

	2007 £'000
United Kingdom	45,667
Rest of EU	1,889
Rest of World	231
	<u>47,787</u>

The Group's activities consist solely of exhibition services originating wholly from the United Kingdom

### 3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

None of the directors were employed by the company in the current period. The directors did not receive any emoluments from the company in the current period. The directors were remunerated by other companies in the Viad Group. Total remuneration from other Group companies amounted to £345,000. It is not practicable to ascertain what proportion of their emoluments relates to the company.

The average monthly number of persons (including directors) employed by the Group during the period was

By activity	2007 No.
Technical support and maintenance	89
Administration and finance	152
Warehouse, transport and distribution	101
Sales and marketing	19
	<u>361</u>

Staff costs	2007 £'000
Wages and salaries	10,625
Social Security costs	1,181
Other pension costs	283
	<u>12,089</u>

### 4. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Profit on ordinary activities before taxation is stated after charging	2007 £'000
Depreciation of tangible owned fixed assets	914
Goodwill amortisation	1,217
Operating lease charges	
Plant and machinery	125
Other	1,450
Auditors' remuneration	
Audit services	69
Taxation	20
	<u></u>

# GES SERVICE COMPANIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the 49 weeks ended 31 December 2007

### 5. INTEREST RECEIVABLE

	2007 £'000
Bank interest received	49

### 6. TAX ON PROFIT ON ORDINARY ACTIVITIES

Analysis of tax charge in the period

	2007 £'000
<b>Current tax</b>	
UK corporation tax at 30%	658
Total current tax	658
<b>Deferred taxation</b>	
Current year	484
Effect of rate change	73
Total deferred taxation	557
<b>Tax on profit on ordinary activities</b>	1,215

Factors affecting the current tax charge for the period

	2007 £'000
Profit on ordinary activities	2,401
Tax on Group profit on ordinary activities at standard UK corporation tax rate of 30%	720
Effects of	
Expenses not deductible for tax purposes	423
Capital allowances in excess of depreciation	(142)
Movement in other timing differences	(343)
Current tax charge for the period	658



# GES SERVICE COMPANIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the 49 weeks ended 31 December 2007

### 7. INTANGIBLE FIXED ASSETS

	Goodwill £'000
<b>Cost</b>	
At beginning of period	-
Arising on acquisition (note 15)	20,816
	<u>20,816</u>
<b>Amortisation</b>	
At beginning of period	-
Charge for the period	1,217
	<u>1,217</u>
<b>Net book value</b>	
At 31 December 2007	<u>19,599</u>

The goodwill arising on acquisitions is being amortised on a straight line basis over 20 years from the effective dates of acquisition. The directors consider 20 years as the period over which the values of the underlying businesses are expected to exceed the value of the underlying assets. The company had no other intangible assets.

### 8. TANGIBLE FIXED ASSETS

	Leasehold Improvement £'000	Plant and hire equipment £'000	Office equipment and furniture £'000	Motor vehicles £'000	Total £'000
<b>Cost</b>					
At beginning of period	-	-	-	-	-
On acquisition (note 15)	308	1,427	493	143	2,371
Additions for the period	864	477	561	14	1,916
Disposals	-	(174)	-	-	(174)
	<u>1,172</u>	<u>1,730</u>	<u>1,054</u>	<u>157</u>	<u>4,113</u>
<b>Depreciation</b>					
At beginning of period	-	-	-	-	-
Charge for the period	77	478	321	38	914
Disposals	-	(131)	-	-	(131)
	<u>77</u>	<u>347</u>	<u>321</u>	<u>38</u>	<u>783</u>
<b>Net book value</b>					
At 31 December 2007	<u>1,095</u>	<u>1,383</u>	<u>733</u>	<u>119</u>	<u>3,330</u>

There are no tangible fixed assets held within the company. The net book value of assets held under finance leases and hire purchase agreements totals £nil within both the company and the Group.

# GES SERVICE COMPANIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the 49 weeks ended 31 December 2007

### 9. INVESTMENTS

	Group £'000	Company £'000
<b>Cost and net book value</b>		
At beginning of period	-	-
Additions	-	17,725
	<u>-</u>	<u>17,725</u>
At end of period	<u>-</u>	<u>17,725</u>

During the period, the company purchased investments in the following subsidiary undertakings. All companies operate principally in their country of incorporation, which is the United Kingdom.

Items marked with \* are indirectly held through a subsidiary entity. All subsidiaries are wholly owned.

Name of Company	Nature of business
Corporate Technical Services Limited	Provision of services to the exhibitions industry
MES Holdings Limited	Provision of services to the exhibitions industry
Melville Exhibition and Event Services Limited*	Provision of services to the exhibitions industry
Melville Hire Services Limited*	Dormant
Melville Electrical Services Limited*	Dormant
Proj-X4 Exhibitions and Events Limited*	Managing event technical organising services

### 10. STOCKS

	Group 2007 £'000	Company 2007 £'000
Raw materials	477	-
Work-in-progress	178	-
	<u>655</u>	<u>-</u>

There is no material difference between the balance sheet value of stocks and their replacement cost.

### 11. DEBTORS

	Group 2007 £'000	Company 2007 £'000
<b>Amounts due in less than one year</b>		
Trade debtors	5,507	-
Amounts owed by parent company	22,193	-
Other debtors	383	-
Prepayments and accrued income	627	-
	<u>28,710</u>	<u>-</u>
<b>Amounts due after more than one year</b>		
Deferred taxation (note 12)	1,024	-
<b>Total debtors</b>	<u>29,734</u>	<u>-</u>

Amounts owed from group undertakings are unsecured, interest free and repayable on demand.

# GES SERVICE COMPANIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the 49 weeks ended 31 December 2007

### 12. DEFERRED TAXATION

	2007 £'000
<b>Movement on deferred taxation balance in the period</b>	
At beginning of period	-
On acquisition (note 15)	1,581
Charge to the profit and loss account	(484)
Effect of rate change	(73)
	<u>1,024</u>
<b>Analysis of closing deferred tax balance</b>	
<b>Amounts recognised</b>	
Accelerated capital allowances and other timing differences	544
Short term timing differences	480
	<u>1,024</u>

### 13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2007 £'000	Company 2007 £'000
Bank overdrafts	1,493	-
Trade creditors	2,837	-
Amount owed to group undertakings	22,528	-
Other taxes and social security	1,480	-
Corporation tax	156	-
Other creditors	1,958	-
Accruals and deferred income	7,124	-
	<u>37,576</u>	<u>-</u>

'Amounts owed to group undertakings' disclosed for the Group reflect amounts owed to other parts of the larger Viad Group. Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

### 14. PROVISION FOR LIABILITIES

	Group 2007 £'000	Company 2007 £'000
At beginning of period	-	-
On acquisition (note 15)	2,540	-
Utilised in the period	(220)	-
At end of period	<u>2,320</u>	<u>-</u>

The closing provision includes £1.6m relating to dilapidation costs on various sites occupied and leased by the Group. This provision has been calculated through reference to information provided to the company by surveyors, and is expected to be settled at the end of the respective lease terms.

# GES SERVICE COMPANIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the 49 weeks ended 31 December 2007

### 15. ACQUISITION OF SUBSIDIARIES

On 1 February 2007, the company acquired the entire share capital of MES Holdings Limited and Corporate Technical Services Limited for a consideration of £17.7m

The following tables set out the book value of the identifiable assets and liabilities acquired and their provisional fair values to the Group

	MES Holdings £'000	Corporate Technical Services £'000	Total £'000
Fair value of net liabilities acquired	(2,806)	(285)	(3,091)
Goodwill	16,986	3,830	20,816
Consideration paid (including expenses of £225,000)	14,180	3,545	17,725

The provisional fair value to the group of the assets and liabilities acquired were as follows

	MES Holdings £'000	Corporate Technical Services £'000	Total £000s
Tangible fixed assets	2,160	211	2,371
Stocks	1,313	66	1,379
Debtors	22,071	902	22,973
Deferred tax asset	1,443	138	1,581
Cash	246	2,728	2,974
Current liabilities	(27,733)	(4,061)	(31,794)
Corporation tax	(35)	-	(35)
Provisions for charges	(2,271)	(269)	(2,540)
<b>Net liabilities acquired</b>	<b>(2,806)</b>	<b>(285)</b>	<b>(3,091)</b>
Goodwill (note 7)	16,986	3,830	20,816
Consideration paid	14,180	3,545	17,725

Consideration consists of.

Cash consideration	14,000	3,500	17,500
Acquisition costs	180	45	225
Consideration paid	14,180	3,545	17,725

There is no difference between the book value and the provisional fair value of the assets and liabilities acquired

# GES SERVICE COMPANIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS For the 49 weeks ended 31 December 2007

### 16. CASH FLOW INFORMATION

<b>Reconciliation of operating profit to operating cash flows</b>	<b>2007 £'000</b>
Operating profit	2,352
Amortisation of goodwill (note 7)	1,217
Depreciation (note 8)	914
Decrease in stock	724
(Increase) in debtors	(5,734)
Increase in creditors	3,913
<b>Net cash inflow from operating activities</b>	<b>3,386</b>

### Analysis of net funds

	<b>At 25 Jan 2007 £'000</b>	<b>Cash Flow £'000</b>	<b>At 31 Dec 2007 £'000</b>
Cash at bank and in hand	-	5,489	5,489
Bank overdraft	-	(1,493)	(1,493)
<b>Net funds</b>	<b>-</b>	<b>3,996</b>	<b>3,996</b>

### 17. CALLED UP SHARE CAPITAL

	<b>2007 £</b>
<b>Authorised</b>	
100 ordinary shares of £1 each	100
<b>Allotted, called up and fully paid</b>	
100 ordinary shares of £1 each	100

In the period, the company allotted 100 ordinary shares at par

### 18. SHARE PREMIUM ACCOUNT

	<b>2007 £'000</b>
<b>Group and Company</b>	
At beginning of period	-
Additions in period (note 15)	17,725
<b>At end of period</b>	<b>17,725</b>

### 19. PROFIT AND LOSS ACCOUNT

	<b>Group £'000</b>	<b>Company £'000</b>
Profit/result for the financial period	1,186	-
<b>At end of period</b>	<b>1,186</b>	<b>-</b>

# GES SERVICE COMPANIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the 49 weeks ended 31 December 2007

### 20. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	Group £'000	Company £'000
New shares issued	-	-
New share premium	17,725	17,725
Profit/result for the financial period	1,186	-
Shareholders' funds at end of period	<u>18,911</u>	<u>17,725</u>

### 21. FINANCIAL COMMITMENTS

Annual commitments of the Group under non-cancellable operating leases are as follows

	31 December 2007	
	Land and buildings £'000	Other £'000
<b>Operating leases which expire:</b>		
Within one year	386	232
Within two to five years	388	202
After five years	425	-
	<u>1,199</u>	<u>434</u>

### 22. RELATED PARTY TRANSACTIONS

In accordance with FRS 8 "Related Party Disclosures" transactions with Viad Corp have not been disclosed in these financial statements. No other related party transactions occurred which require disclosure.

### 23. ULTIMATE PARENT COMPANY

The ultimate parent and controlling company is Viad Corp which is incorporated in the United States of America. Copies of the financial statements of Viad Corp are available from Viad Corp, 1850 N Central Avenue, Suite 800, Phoenix, Arizona, 85004-4545 or the company's website at [www.Viad.com](http://www.Viad.com)