

**Company Registration No. 6067905**

**GES Service Companies Limited**

**Report and Financial Statements**

**31 December 2011**



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# **GES Service Companies Limited**

## **Report and financial statements 2011**

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# **GES Service Companies Limited**

## **Report and financial statements 2011**

### **Officers and professional advisers**

#### **Directors**

N J Marshall  
P B Dykstra  
E M Ingersoll

#### **Secretary**

P D McKenna

#### **Registered office**

Silverstone Drive  
Gallagher Business Park  
Coventry  
CV6 6PA

#### **Auditor**

Deloitte LLP  
Chartered Accountants and Statutory Auditor  
Leeds

# GES Service Companies Limited

## Directors' report

The directors present their annual report and the audited consolidated financial statements for the year ended 31 December 2011

### Principal activities

The principal activity of the company is the provision of exhibition and data registration services to organisers of exhibitions and events, exhibitors and exhibition venues

Turnover for the Group amounted to £61.1m (2010: £51.6m). The profit for the year amounted to £1.7m (2010: £0.6m).

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

### Going concern

The company has no current liabilities and consequently, a number of initiatives have been implemented to drive profitability in future periods. The directors have considered the going concern assumption given the current challenging economic climate and future uncertainties on the company's revenues and profits and have formed the conclusion that the company will continue to operate in the foreseeable future. The directors believe that it is appropriate for the financial statements to be prepared on the going concern basis having received a letter of support from the parent undertaking, Viad Corporation, which indicates that it will continue to provide sufficient funds to enable the company to meet all of its financial obligations as they fall due for the foreseeable future, a period of at least 12 months from the date of signing the financial statements.

### Dividends

The Group paid an interim dividend of £nil (2010: £nil) during the period and the directors recommend that no final dividend be declared. Accordingly, the profit for the period of £1.7m (2010: £0.6m) 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 in an extremely competitive market. Smaller niche exhibitions are 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 also continues to provide significant challenges to the business.

### Strategy

Management believes that the Group is well positioned to continue delivering and developing its level of profitability through the development and extension of existing client relationships, targeting new relationships in and outside of the home UK marketplace and seizing and executing exceptional project opportunities.

### 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 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.

#### *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.

# **GES Service Companies Limited**

## **Directors' report (continued)**

### **Principal risks and uncertainties (continued)**

#### *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. The management team reviews forecasted revenue and operating profit every week to ensure targets are being adhered to. This culminates in a formal monthly review of financial forecasts by the controlling company, Viad Corp, incorporated in the United States of America.

### **Directors and interests**

The following directors held office during the year and subsequently:

N J Marshall  
P B Dykstra  
E M Ingersoll

### **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 and a formal presentation to the whole company by the CEO every six months.

### **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 (continued)

### Disclosure of information to the auditor

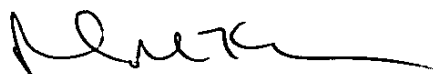
Each of the persons who is a director at the date of approval of this report confirms that

- (1) so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- (2) the director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information

The confirmation is given and should be interpreted in accordance with the provisions of s418 of Companies Act 2006

Deloitte LLP have expressed their willingness to continue in office as the auditor. 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  
11th September 2012

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# GES Service Companies Limited

## Directors' responsibilities statement

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). Under company law the directors must not approve the financial statements unless they are satisfied that they 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 these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and accounting 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 adequate accounting records that are sufficient to show and explain the company's transactions and 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 2006. 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 auditor's report to the members of GES Service Companies Limited**

We have audited the financial statements of GES Service Companies Limited for the year ended 31 December 2011 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. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 auditor's 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 auditor**

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

## **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

## **Opinion on the financial statements**

In our opinion, the financial statements

- give a true and fair view of the state of the group and company's affairs as at 31 December 2011 and of the group's profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

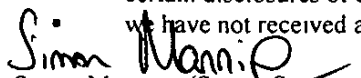
## **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements requirements and International Standards on Auditing (UK and Ireland).

## **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.

  
Simon Manning (Senior Statutory Auditor)  
for and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditor  
Leeds, UK

17 September 2012



# GES Service Companies Limited

## Consolidated profit and loss account Year ended 31 December 2011

	Note	2011 £'000	2010 £'000
Turnover	2	61,100	51,593
Cost of sales		(39,921)	(32,121)
<b>Gross profit</b>		<b>21,179</b>	<b>19,472</b>
Administration expenses		(18,671)	(18,078)
<b>Operating profit</b>		<b>2,508</b>	<b>1,394</b>
Interest receivable	5	-	-
<b>Profit on ordinary activities before taxation</b>	4	<b>2,508</b>	<b>1,394</b>
Tax on profit on ordinary activities	6	(875)	(769)
<b>Profit for the year</b>	19	<b>1,633</b>	<b>625</b>

The profit for the year is derived entirely from continuing operations

There are no recognised gains or losses in the current or prior periods other than the profit for the year 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

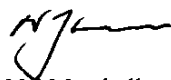
# GES Service Companies Limited

## Consolidated balance sheet 31 December 2011

	Note	2011 £'000	2010 £'000
<b>Fixed assets</b>			
Intangible assets	7	14,437	15,705
Tangible assets	8	6,909	6,649
		<u>21,346</u>	<u>22,354</u>
<b>Current assets</b>			
Stocks	10	840	777
Debtors	11	9,895	9,513
Cash at bank and in hand		1,755	2,380
		<u>12,490</u>	<u>12,670</u>
<b>Creditors amounts falling due within one year</b>	13	<u>(12,614)</u>	<u>(15,126)</u>
<b>Net current liabilities</b>		<u>(124)</u>	<u>(2,456)</u>
<b>Total assets less current liabilities</b>		<u>21,222</u>	<u>19,898</u>
<b>Provision for liabilities</b>	14	<u>(420)</u>	<u>(729)</u>
<b>Net assets</b>		<u>20,802</u>	<u>19,169</u>
<b>Capital and reserves</b>			
Called up share capital	16	-	-
Share premium account	17	17,725	17,725
Profit and loss account	18	3,077	1,444
<b>Shareholders' funds</b>	19	<u>20,802</u>	<u>19,169</u>

These financial statements for GES Service Companies Limited, registered number (6067905) were approved by the Board of Directors on 11th September 2012

Signed on behalf of the Board of Directors



N J Marshall

Director

## GES Service Companies Limited

### Company balance sheet 31 December 2011

	Note	2011 £'000	2010 £'000
<b>Fixed assets</b>			
Investments	9	<u>17,725</u>	<u>17,725</u>
<b>Net assets</b>		<u>17,725</u>	<u>17,725</u>
<b>Capital and reserves</b>			
Called up share capital	16	-	-
Share premium account	17	17,725	17,725
Profit and loss account	18	<u>-</u>	<u>-</u>
<b>Shareholders' funds</b>	19	<u>17,725</u>	<u>17,725</u>

# GES Service Companies Limited

## Consolidated cash flow statement Year ended 31 December 2011

	Note	2011 £'000	2010 £'000
Net cash inflow from operating activities	15	<u>3,188</u>	<u>3,057</u>
<b>Returns on investments and servicing of finance</b>			
Interest Received		<u>-</u>	<u>-</u>
Net cash inflow from returns on investments and servicing of finance		<u>-</u>	<u>-</u>
<b>Taxation</b>			
UK Corporation tax paid		<u>(694)</u>	<u>(570)</u>
<b>Capital Expenditure and financial investment</b>			
Purchase of tangible fixed assets		<u>(2,059)</u>	<u>(1,956)</u>
Cash outflow from capital expenditure and financial investment		<u>(2,059)</u>	<u>(1,956)</u>
Increase in cash in the period		435	531
Cash at beginning of period		961	474
Effect of foreign exchange		<u>(32)</u>	<u>(44)</u>
Cash at end of period		<u>1,364</u>	<u>961</u>
<b>Cash at balance sheet date consists of:</b>			
Cash at bank and in hand		1,755	2,380
Bank overdraft (note 14)		<u>(391)</u>	<u>(1,419)</u>
		<u>1,364</u>	<u>961</u>

# GES Service Companies Limited

## Notes to the financial statements For the year ended 31 December 2011

### 1. Accounting policies

#### Basis of preparation

These financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006, through consistent application of these accounting policies. The principal accounting policies consistently applied in the preparation of the accounts of the Company are described below.

#### Going concern

The company net liabilities and consequently, a number of initiatives have been implemented to drive profitability in future periods. The directors have considered the going concern assumption given the current challenging economic climate and future uncertainties on the company's revenues and profits and have formed the conclusion that the company will continue to operate in the foreseeable future. The directors believe that it is appropriate for the financial statements to be prepared on the going concern basis having received a letter of support from the parent undertaking, Viad Corporation, which indicates that it will continue to provide sufficient funds to enable the company to meet all of its financial obligations as they fall due for the foreseeable future, a period of at least 12 months from the date of signing the financial statements.

#### 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 (2010 £nil). As permitted by section 408 of the Companies Act 2006, 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 year ended 31 December 2011

### 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 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

### 2. Turnover

	2011 £'000	2010 £'000
United Kingdom	51,317	43,514
Rest of EU	3,885	3,103
Rest of World	5,898	4,976
	<u>61,100</u>	<u>51,593</u>

The Group's activities consist of exhibition services originating wholly from the United Kingdom, Germany and United Arab Emirates

# GES Service Companies Limited

## Notes to the financial statements For the year ended 31 December 2011

### 3. Information regarding directors and employees

None of the directors were employed by the company in the current or prior periods. The directors did not receive any emoluments from the company in the current or prior periods. The directors were remunerated by other companies in the Viad Group. 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	2011 No.	2010 No.
Technical support and maintenance	12	12
Administration and finance	246	199
Warehouse, transport and distribution	94	94
Sales and marketing	25	23
	<u>377</u>	<u>328</u>

Staff costs	2011 £'000	2010 £'000
Wages and salaries	10,678	10,648
Social Security costs	1,464	1,021
Other pension costs	247	259
	<u>12,389</u>	<u>11,928</u>

### 4. Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging	2011 £'000	2010 £'000
Depreciation of tangible owned fixed assets	1,823	1,635
Goodwill amortisation	1,268	1,268
Operating lease charges		
Plant and machinery	114	382
Other	876	895
Fees payable to the Company's auditor for the audit of the Company's Annual accounts		
- Audit services	90	87
- Taxation	25	20
	<u></u>	<u></u>

### 5. Interest receivable

	2011 £'000	2010 £'000
Bank interest received	<u>-</u>	<u>-</u>

# GES Service Companies Limited

## Notes to the financial statements For the year ended 31 December 2011

### 6. Tax on profit on ordinary activities

Analysis of tax charge in the year

	2011 £'000	2010 £'000
<b>Current tax</b>		
UK corporation tax at 26.5% (2010: 28%)	974	663
Adjustment in respect of prior years	(110)	33
Total current tax	864	696
<b>Deferred taxation</b>		
Current year	(82)	39
Adjustment in respect of prior years	28	19
Effect of rate change	65	15
Total deferred taxation	11	73
<b>Tax on profit on ordinary activities</b>	<b>875</b>	<b>769</b>

Factors affecting the current tax charge for the year

	2011 £'000	2010 £'000
Profit on ordinary activities	2,508	1,394
Tax on Group profit on ordinary activities at standard UK corporation tax rate of 26.5% (2010: 28%)	665	390
Effects of		
Expenses not deductible for tax purposes	371	473
Capital allowances in excess of depreciation	25	(40)
Movement in short-term timing differences	102	-
Differences in overseas tax rates	(189)	(160)
Adjustments in tax charge in respect of previous years	(110)	33
Current tax charge for the year	864	696



# GES Service Companies Limited

## Notes to the financial statements For the year ended 31 December 2011

### 7 Intangible fixed assets

	Goodwill £'000
<b>Cost</b>	
At 1 January 2011 and 31 December 2011	20,816
<b>Amortisation</b>	
At 1 January 2011	5,111
Charge for the year	1,268
At 31 December 2011	6,379
<b>Net book value</b>	
At 31 December 2011	14,437
At 31 December 2010	15,705

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 1 January 2011	2,995	10,195	5,273	478	18,941
Exchange Rate Movements	-	32	-	-	32
Additions	169	1,343	514	33	2,059
Disposals	-	(87)	-	-	(87)
At 31 December 2011	3,164	11,483	5,787	511	20,945
<b>Depreciation</b>					
At 1 January 2011	1,103	6,253	4,545	391	12,292
Charge for the year	337	1,163	303	20	1,823
Disposals	-	(79)	-	-	(79)
At 31 December 2011	1,440	7,337	4,848	411	14,036
<b>Net book value</b>					
At 31 December 2011	1,724	4,146	939	100	6,909
At 31 December 2010	1,892	3,942	728	87	6,649

There are no tangible fixed assets held within the company (2010: £nil). The net book value of assets held under finance leases and hire purchase agreements totals £nil (2010: £nil) within both the company and the Group.

# GES Service Companies Limited

## Notes to the financial statements For the year ended 31 December 2011

### 9. Investments

Company  
£'000

#### Cost and net book value

At 1 January 2011 and 31 December 2011

17,725

The following information relates to the principal subsidiary undertakings of the company. All companies operate principally in their country of incorporation which is the United Kingdom unless stated otherwise. All subsidiaries have a year end of 31 December and are included within the Group consolidated financial statements. Those marked with an \* are indirectly owned. All are 100% owned unless otherwise stated.

The company indirectly owns 49% of Melville Middle East LLC, which is directly owned by Melville Exhibition and Event Services Limited, a wholly owned subsidiary of MES Holdings. Melville Middle East LLC has been treated as a subsidiary undertaking because the group exercises dominant influence over this investment, directing its financial and operating policies. All other subsidiary undertakings are wholly owned.

Name of Company	Nature of business
Melville Data Services Limited	Provision of services to the exhibitions industry
Melville Middle East LLC (UAE)*	Provision of services to the exhibitions industry
Melville Logistics GmbH*	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 2011 £'000	Company 2011 £'000	Group 2010 £'000	Company 2010 £'000
Raw materials	585	-	538	-
Work-in-progress	255	-	239	-
	<u>840</u>	<u>-</u>	<u>777</u>	<u>-</u>

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

### 11. Debtors

	Group 2011 £'000	Company 2011 £'000	Group 2010 £'000	Company 2010 £'000
Amounts due in less than one year				
Trade debtors	7,083	-	6,446	-
Other debtors	2,261	-	2,090	-
Prepayments and accrued income	198	-	612	-
Deferred taxation (note 13)	353	-	365	-
Total debtors	<u>9,895</u>	<u>-</u>	<u>9,513</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 year ended 31 December 2011

### 12. Deferred taxation

	£'000
<b>Movement on deferred taxation balance in the period</b>	
At beginning of period	365
Charge to the profit and loss account	(12)
	<u>353</u>

#### Analysis of closing deferred tax balance

	2011 £'000	2010 £'000
<b>Amounts recognised</b>		
Accelerated capital allowances	270	259
Other timing differences	83	106
	<u>353</u>	<u>365</u>

There is no unprovided deferred tax (2010 £nil)

### 13. Creditors amounts falling due within one year

	Group 2011 £'000	Company 2011 £'000	Group 2010 £'000	Company 2010 £'000
Bank overdrafts	391	-	1,419	-
Trade creditors	2,482	-	1,572	-
Amounts owed to group undertakings	85	-	951	-
Other taxes and social security	1,019	-	1,467	-
Corporation tax	355	-	210	-
Other creditors	3,696	-	3,802	-
Accruals and deferred income	4,586	-	5,705	-
	<u>12,614</u>	<u>-</u>	<u>15,126</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 2011 £'000	Company 2011 £'000
At 1 January 2011	729	-
Utilised in the year	(309)	-
	<u>420</u>	<u>-</u>

The closing provision includes £0.4m (2010 £0.6m) 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 year ended 31 December 2011

### 15. Cash flow information

Reconciliation of operating profit to operating cash flows	2011 £'000	2010 £'000
Operating profit	2,508	1,394
Loss on disposal of fixed assets	8	-
Amortisation of goodwill (note 8)	1,268	1,268
Depreciation (note 9)	1,823	1,635
(Increase)/Decrease in stock	(63)	175
Increase in debtors	(394)	(3,667)
(Decrease)/Increase in creditors	(1,962)	2,252
<b>Net cash inflow from operating activities</b>	<b>3,188</b>	<b>3,057</b>

### Analysis of net funds

	At 31 Dec 2010 £'000	Cash Flow £'000	Non-Cash Movements £'000s	At 31 Dec 2011 £'000
Cash at bank and in hand	2,380	(625)	-	1,755
Bank overdraft	(1,419)	1,060	(32)	(391)
<b>Net funds</b>	<b>961</b>	<b>435</b>	<b>(32)</b>	<b>1,364</b>

### 16. Called up share capital

	2011 £	2010 £
<b>Authorised</b>		
100 ordinary shares of £1 each	100	100
<b>Allotted, called up and fully paid</b>		
100 ordinary shares of £1 each	100	100

### 17. Share premium account

	£'000
<b>Group and Company</b>	
At 1 January 2011 and 31 December 2011	17,625

# GES Service Companies Limited

## Notes to the financial statements For the year ended 31 December 2011

### 18. Profit and loss account

	2011		2010	
	Group £'000	Company £'000	Group £'000	Company £'000
At 1 January	1,444	-	819	-
Profit for the year	1,633	-	625	-
At 31 December	<u>3,077</u>	<u>-</u>	<u>1,444</u>	<u>-</u>

### 19. Reconciliation of movements in shareholders' funds

	2011		2010	
	Group £'000	Company	Group £'000	Company £'000
At 1 January	19,169	17,725	18,544	17,725
Profit for the year	1,633	-	625	-
At 31 December	<u>20,802</u>	<u>17,725</u>	<u>19,169</u>	<u>17,725</u>

### 20. Financial commitments

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

	31 December 2011		31 December 2010	
	Land and buildings £'000	Other £'000	Land and buildings £'000	Other £'000
<b>Operating leases which expire:</b>				
Within one year	165	234	119	358
Within two to five years	36	235	87	303
After five years	500	42	500	32
	<u>701</u>	<u>511</u>	<u>706</u>	<u>693</u>

### 21. 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.

### 22. Ultimate parent company

The company's immediate and 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)