

Expo-Systems Limited

Report and Accounts

31 December 1999



Expo-Systems Limited

DIRECTORS

D Cunningham

M Wells

(appointed 18 August 1999, resigned 16 May 2000)

A B Morris

(appointed 30 September 1999, resigned 23 May 2000)

J A Morris

(appointed 30 September 1999, resigned 23 May 2000)

M Denton

(resigned 18 August 1999)

D G Morgan

(appointed 23 May 2000)

D J O'Connor

(appointed 23 May 2000)

J R Turnbull

(appointed 23 May 2000)

G R Dalvarez

(appointed 23 May 2000)

SECRETARY

T T Pilcher

(appointed 1 April 2000, resigned 23 May 2000)

DLC Company Services Ltd (appointed 23 May 2000)

AUDITORS

Ernst & Young

Rolls House

7 Rolls Buildings

Fetter Lane

London EC4A 1NH

REGISTERED OFFICE

Earls Court Exhibition Centre

Warwick Road

London SW5 9TA

 **ERNST & YOUNG**

Expo-Systems Limited

DIRECTORS' REPORT

The directors present their report and accounts for the 10 months ended 31 December 1999.

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The company's principal activity continues to be that of exhibition software specialists.

On 18 August 1999, the entire share capital of the company was acquired by Opex Exhibition Services Limited.

DIRECTORS AND THEIR INTERESTS

The directors of the company during the period, and their beneficial interest in the company's issued shares were:

	31 December 1999	28 February 1999
D Cunningham	-	1,000
M Wells (appointed 18 August 1999, resigned 16 May 2000)	-	-
A B Morris (appointed 30 September 1999, resigned 23 May 2000)	-	-
J A Morris (appointed 30 September 1999, resigned 23 May 2000)	-	-
M Denton (resigned 18 August 1999)	-	1,000
D G Morgan (appointed 23 May 2000)	-	-
D J O'Connor (appointed 23 May 2000)	-	-
J R Turnbull (appointed 23 May 2000)	-	-
G R Dalvarez (appointed 23 May 2000)	-	-

Interests of directors in the shares of Earls Court and Olympia Group Limited, the ultimate parent undertaking, are shown in the report and accounts of that company.

YEAR 2000 COMPLIANCE

The company uses computer equipment extensively in its business and with its purchasers and suppliers. Compliance procedures are in force to ensure that the company and its operations are compliant in accordance with BSI DISC PD2000-1:1998.

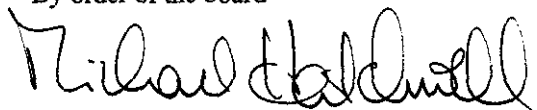
AUDITORS

A resolution to reappoint Ernst & Young as auditors will be put to the members at the Annual General Meeting.

SMALL COMPANY EXEMPTIONS

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

By order of the board



Secretary

For and on behalf of
D.L.C. COMPANY SERVICES LIMITED

Expo-Systems Limited

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

Company law requires the directors to prepare accounts for each financial year 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;
- 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.

REPORT OF THE AUDITORS
to the members of Expo-Systems Limited

We have audited the accounts on pages 5 to 10, which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

As described on page 3 the company's directors are responsible for the preparation of the accounts in accordance with applicable United Kingdom law and accounting standards. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you. Our responsibilities, as independent auditors, are established in the United Kingdom by Statute, the Auditing Practices Board and by our profession's ethical guidance.

Basis of 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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of affairs of the company as at 31 December 1999 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

Ernst & Young

Ernst & Young
Registered Auditor
London

27 June 2000.

Expo-Systems Limited

PROFIT AND LOSS ACCOUNT

for the 10 months ended 31 December 1999

		<i>10 months ended 31 December 1999</i>	<i>Year ended 28 February 1999</i>
	<i>Notes</i>	<i>£</i>	<i>£</i>
TURNOVER	1	976,267	1,016,343
Less cost of sales		344,847	234,130
GROSS PROFIT FOR THE PERIOD		631,420	782,213
Administrative expenses		582,440	583,110
OPERATING PROFIT FOR THE PERIOD		48,980	199,103
Bank interest received	2	61	929
PROFIT FOR THE FINANCIAL PERIOD BEFORE TAXATION		49,041	200,032
Taxation	3	12,577	44,710
PROFIT FOR THE FINANCIAL PERIOD		36,464	155,322
Dividends		120,000	84,000
RETAINED PROFIT BROUGHT FORWARD		(83,536)	71,322
		194,534	123,212
RETAINED PROFIT CARRIED FORWARD		110,998	194,534

There were no recognised gains or losses other than those included in the profit and loss account.

Expo-Systems Limited

BALANCE SHEET at 31 December 1999

		31 December 1999	28 February 1999
	Notes	£	£
FIXED ASSETS			
Tangible assets	4	122,799	126,474
CURRENT ASSETS			
Stocks	5	40,045	3,000
Debtors	6	186,932	163,876
Cash at bank and in hand		126,964	42,792
		353,941	209,668
CREDITORS: amounts falling due within one year	7	362,742	138,608
NET CURRENT (LIABILITIES)/ASSETS		(8,801)	71,060
TOTAL ASSETS LESS CURRENT LIABILITIES		113,998	197,534
CAPITAL AND RESERVES			
Called up share capital	8	3,000	3,000
Profit and loss account		110,998	194,534
		113,998	197,534

The accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

JRT-bull

Director

27 June 2000

Expo-Systems Limited

NOTES TO THE ACCOUNTS at 31 December 1999

1. ACCOUNTING POLICIES

Accounting convention

The accounts are prepared under the historical cost convention and include the results of the company's operations which are described in the director's report and all of which are continuing.

The company has taken advantage of the exemption in Financial Reporting Standard No. 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

Turnover

Turnover is the amount receivable for services provided net of value added tax.

Depreciation

Depreciation and amortisation are calculated to write off the cost of the assets over the expected useful lives of the assets concerned. The principal annual rates used for this purpose are:

Computer equipment	-	20% per annum (straight line)
Fixtures and fittings	-	20% per annum (straight line)
Motor vehicles	-	20% per annum (straight line)

The carrying values of tangible fixed assets are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

Stocks

Stocks are stated at the lower of cost and net realisable value. In general, cost is determined on a first in, first out basis. Net realisable value is the price at which stock can be realised in the normal course of business after allowing for the costs of realisation. Provision is made for obsolete, slow moving and defective stock.

2. OPERATING PROFIT

This is stated after charging:

	<i>10 months ended 31 December 1999</i>	<i>Year ended 28 February 1999</i>
	£	£
Audit fees	-	2,000
Directors' fees	63,921	74,200
Depreciation	39,710	71,053
	<u> </u>	<u> </u>

Auditors' remuneration is borne by the parent undertaking Earls Court and Olympia Limited.

3. TAXATION

	<i>10 months ended 31 December 1999</i>	<i>Year ended 28 February 1999</i>
	£	£
Based on the profit for the year:		
Corporation tax	12,577	44,707
Underprovision for prior year	-	3
	<u>12,577</u>	<u>44,710</u>

Expo-Systems Limited

NOTES TO THE ACCOUNTS at 31 December 1999

4. TANGIBLE FIXED ASSETS

	Computer equipment £	Fixtures and fittings £	Motor vehicles £	Total £
Cost:				
At 1 March 1999	199,619	17,585	7,950	225,154
Additions	18,333	17,702	-	36,035
At 31 December 1999	217,952	35,287	7,950	261,189
Depreciation:				
At 1 March 1999	91,761	4,331	2,588	98,680
Charge for the year	33,430	4,609	1,671	39,710
At 31 December 1999	125,191	8,940	4,259	138,390
Net book value:				
At 31 December 1999	92,761	26,347	3,691	122,799
At 1 March 1999	107,858	13,254	5,362	126,474

5. STOCKS

	31 December 1999 £	28 February 1999 £
Consumables	40,045	3,000

6. DEBTORS

	31 December 1999 £	28 February 1999 £
Trade debtors	169,402	159,376
Prepayments and accrued income	11,877	-
Staff loans	3,053	4,500
Other debtors	2,000	-
Amounts due from group undertaking	600	-
	186,932	163,876

Expo-Systems Limited

NOTES TO THE ACCOUNTS at 31 December 1999

7. CREDITORS: amounts falling due within one year

	31 December 1999 £	28 February 1999 £
Corporation tax	12,577	23,707
Other taxation and social security	13,153	37,688
Trade creditors	57,181	67,278
Payments on account	35,761	3,146
Accruals	5,051	6,789
Other creditors	1,281	-
Amounts due to group undertakings	237,738	-
	<u>362,742</u>	<u>138,608</u>

8. SHARE CAPITAL

	31 December 1999 No.	Authorised 28 February 1999 No.	Allotted, called up and fully paid 31 December 1999 £	28 February 1999 £
Ordinary shares of £1 each	10,000	10,000	3,000	3,000

9. RECONCILIATION OF SHAREHOLDERS' FUNDS

	31 December 1999 £	28 February 1999 £
Profit for the period	36,464	155,322
Dividends	(120,000)	(84,000)
	<u>(83,536)</u>	<u>71,322</u>
Shareholders' funds brought forward	197,534	126,212
	<u>113,998</u>	<u>197,534</u>

10. CONTINGENT LIABILITY

The company has a leasing obligation expiring on 13 January 2001 with annual lease costs of £9,573.

The company has entered into an arrangement to guarantee to the company's bankers the obligations of all the other group companies to that bank. The guarantee is limited to the amount of the loan drawn down held by the group, which at 31 December 1999 was £97,000,000 (28 February 1999 - £nil).

NOTES TO THE ACCOUNTS
at 31 December 1999

11. **ULTIMATE PARENT UNDERTAKING**

The company's ultimate parent company and the only entity into which the results of the company are consolidated is Earls Court and Olympia Group Limited.

The consolidated accounts of Earls Court and Olympia Group Limited, within which this company is included can be obtained from Earls Court Exhibition Centre, Warwick Road, London SW5 9TA.

The company has taken advantage of the exemption in FRS 8 not to disclose transactions with other members of the group.

Expo-Systems Limited

DETAILED PROFIT AND LOSS ACCOUNT
 for the 10 months ended 31 December 1999

	<i>10 months ended 31 December 1999 £</i>	<i>Year ended 28 February 1999 £</i>
ADMINISTRATIVE EXPENSES		
Rent and rates	34,008	27,820
Salaries	382,748	342,161
Directors' pensions	4,111	8,419
Equipment lease	9,750	12,187
Insurance	4,671	6,184
Motor and travelling expenses	40,637	64,318
Printing, postage and stationery	20,578	20,578
Telephone and fax	18,611	14,303
Advertising and exhibition expenses	1,240	1,921
Bank and credit card charges	1,674	1,485
Audit and accountancy	9,370	6,366
Legal fees re debt collection	4,023	1,044
Bad debts	4,971	4,123
Sundry and office expenses	6,338	1,148
Depreciation	39,710	42,204
Depreciation adjustment	-	28,849
	<u>582,440</u>	<u>583,110</u>