

**Company Registration No. 2801121**

**International Trade and Exhibitions  
(JV) Limited**

**Report and Financial Statements**

**30 September 2008**

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# **International Trade and Exhibitions (JV) Limited**

## **Report and financial statements 2008**

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# **International Trade and Exhibitions (JV) Limited**

## **Report and financial statements 2008**

### **Officers and professional advisers**

#### **Directors**

William Dye (resigned 30 January 2008)

Spencer Wreford

Russell Taylor

Edward Strachan

Neil Jones (appointed 13 March 2009)

#### **Secretary**

Anil Harilal Gadhia

#### **Registered Office**

105 Salusbury Road

London

NW6 6RG

#### **Principal Bankers**

Barclays Bank PLC

27 Soho Square

London

W1A 4WA

#### **Auditors**

Deloitte LLP

Chartered Accountants

London

# **International Trade and Exhibitions (JV) Limited**

## **Directors' report**

The directors present their annual report and the audited financial statements (including the auditors' report) for the year ended 30 September 2008.

### **Principal activities and business review**

The principal activity of the Company in the year under review was the organising of international trade exhibitions and conferences. The directors intend to continue to develop the Company's business and to seek opportunities to expand into new markets.

### **Results and dividends**

The results for the year are set out on page 8.

Dividends of £3,500,000 (2007: £7,500,000) were paid in the year.

### **Directors**

The directors who held office throughout the year, except as noted, were as follows:

William Dye (resigned 30 January 2008)

Russell Taylor

Spencer Wreford

Edward Strachan

Neil Jones (appointed 13 March 2009)

### **Supplier payment policy**

The Company's policy is to settle terms of payment with suppliers when agreeing the terms of each transaction, to ensure that suppliers are made aware of the terms of payment and abide by the terms of payment.

### **Enhanced business review**

The Company is a wholly-owned subsidiary of ITE Group Plc and operates as part of the group's UK division.

The Company's principal activities are the organising of international trade exhibitions and conferences. There have not been any significant changes in the Company's principal activities in the year under review. The directors are not aware, at the date of this report, of any likely major changes in the Company's activities in the next year.

The Company continues to develop the business and to seek opportunities to expand into new markets.

As shown in the Company's profit and loss account on page 8, the Company's sales have remained largely consistent with the prior year at £16.1 million and profit after tax has decreased from £6.5 million in the prior year to £0.6 million.

The balance sheet on page 10 of the financial statements shows that the Company has net assets of £1.3 million (2007: £4.2 million). Details of amounts owed to and from its parent Company and subsidiary undertakings are shown in notes 14 and 15.

There have been no significant events since the balance sheet date.

The Company manages its operations on a divisional basis. For this reason the Company's Directors believe that further key performance indicators for the Company are not necessary or appropriate for an understanding of the development, performance or position of the business.

# **International Trade and Exhibitions (JV) Limited**

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

### **Principal risks and uncertainties**

#### *Political uncertainty and regulatory risk*

The Company's business is principally carried out in Russia and the CIS. Changes in law or the regulatory environment could have an effect on some or all of the exhibitions of the Company. A regulatory change affecting the trading prospects of a particular sector could affect short-term prospects, but ITE's diversity of businesses across sectors and geography provides protection for the longer term prospects of the Company.

#### *Commercial relationships*

The Company has key commercial relationships with venues which secure the Company's rights to run its exhibitions in the future. These key relationships are regularly reviewed and the Company seeks to maintain its exhibition rights for at least three years forward for all significant exhibitions.

#### *Venue availability*

Damage to a venue making it unavailable for an exhibition could impact upon the Company's short-term trading position. Accordingly the Company carries business interruption insurance policies which protect its profits against such an event in the short term.

#### *Competitor risk*

Competition has existed in ITE's markets for some years. ITE faces competitive pressures on a market-by-market basis. Recent increase in venue space available in Moscow has increased the potential for new market entrants in the Moscow exhibition business. In Central Asia, ITE has a strong position in all its markets as the largest international organiser. In Kiev, Ukraine, there are a number of exhibition venues and directly competitive events exist in most of ITE's favoured sectors.

In all of its overseas markets ITE has a strong position as an international organiser achieved through effective use of its international sales network and its established brands for major events. A single exhibition or sector in a market could have its prospects curtailed by a strong competitor launch; however the breadth of ITE's portfolio of events with its geographic and sector diversity reduce the risk of a competitive threat to the Company's overall business.

#### *Foreign currency*

ITE's business is priced in Euros, Dollars and Sterling. The Company maintains short-term hedging and forward option positions to protect foreseeable 'hard' currency receipts.

#### *Cash flow risk*

The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates. The company uses foreign exchange forward contracts to hedge these exposures.

Interest-bearing assets and liabilities are held at fixed rate to ensure certainty of cash flows.

#### *Credit risk*

The Company's principal financial assets are bank balances and cash, trade and other receivables and amounts owed by parent and fellow subsidiaries. The Company's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables.

The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The company has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

# **International Trade and Exhibitions (JV) Limited**

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

### *Liquidity risk*

The company is part of ITE Group Plc. ITE Group Plc and its subsidiaries are committed to provide the necessary level of financial support to ITE (JV) Limited to enable it to pay its debts as they become due. ITE Group Plc and its subsidiaries have the necessary financial resources to fulfil that commitment.

### **Going Concern**

The accompanying financial statements have been prepared on a going concern basis. The basis upon which the directors have concluded that the going concern basis is appropriate, as set out in note 1 of the financial statements.

### **Environment**

As a media services company, the Company acknowledges that its business has an impact on the environment, albeit relatively minor. The Company does not manufacture or sell any tangible products. The Company actively controls its energy costs and the office and other waste generated by its business.

As a media services business the Company's activities do not directly effect the environment through emissions to air, water or land. The Company's activities, mostly through its customers and suppliers have an impact on waste and natural resources usage through materials used in assembling exhibition stands and participating in the exhibition. Presently, practice in controlling waste at different exhibitions centres varies widely through the different regions in which the Company operates.

### **Employees**

Details of the number of employees and related costs can be found in note 7 to the financial statements.

### **Auditors**

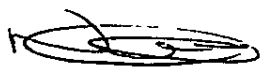
Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

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

Deloitte LLP have expressed their willingness to continue in office as auditors and 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



Neil Jones  
Director

24 July 2009

## **International Trade and Exhibitions (JV) 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 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 judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed; 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 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.

## **International Trade and Exhibitions (JV) Limited**

### **Independent auditors' report to the members of International Trade and Exhibitions (JV) Limited**

We have audited the financial statements of International Trade and Exhibitions (JV) Limited for the year ended 30 September 2008 which comprise the profit and loss account, the reconciliation of movements in shareholders' funds, the balance sheet 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 law and 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 legal 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 directors' report for the above year and consider the implications for our report if we become aware of any apparent misstatements within it.

#### **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 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.



## **International Trade and Exhibitions (JV) Limited**

### **Independent auditors' report to the members of International Trade and Exhibitions (JV) Limited**

#### **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 Company's affairs as at 30 September 2008 and of its profit for the year 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.

*Deloitte LLP*

**Deloitte LLP**

Chartered Accountants and Registered Auditors  
London, UK

*24th July* 2009

## International Trade and Exhibitions (JV) Limited

### Profit and loss account

For the year ended 30 September 2008

	Notes	2008 £	2007 £
Turnover	2	16,129,735	16,057,665
Cost of sales		(6,936,322)	(5,150,211)
Gross profit		9,193,413	10,907,454
Administrative expenses		(9,742,347)	(6,840,074)
Other operating income	3	291,707	252,880
Operating (loss)/profit	4	(257,227)	4,320,260
Income from shares in Group undertakings		1,633,469	3,125,976
Interest receivable and similar income	5	64,706	372,244
Interest payable and similar charges	6	(359,040)	(540,836)
Profit on ordinary activities before taxation		1,081,908	7,277,644
Tax on profit on ordinary activities	9	(507,479)	(777,629)
Profit on ordinary activities after taxation		574,429	6,500,015

The results above are derived solely from continuing operations.

There were no recognised gains or losses in the current or preceding year other than those recorded in the profit and loss account. Therefore no statement of total recognised gains and losses has been prepared.

## **International Trade and Exhibitions (JV) Limited**

### **Reconciliation of movements in shareholders' funds For the year ended 30 September 2008**

	Notes	2008 £	2007 £
Profit for the financial year		574,429	6,500,015
Dividends	10	(3,500,000)	(7,500,000)
<b>Net reduction in shareholders' funds</b>		<b>(2,925,571)</b>	<b>(999,985)</b>
Opening shareholders' funds		4,208,429	5,208,414
<b>Closing shareholders' funds</b>		<b>1,282,858</b>	<b>4,208,429</b>

# International Trade and Exhibitions (JV) Limited

## Balance sheet

At 30 September 2008

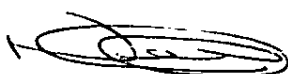
	Notes	2008 £	2007 £
<b>Fixed assets</b>			
Intangible fixed assets	11	9,374,979	10,551,249
Tangible assets	12	1,164,366	1,081,327
Investments	13	7,274,957	7,274,957
		<u>17,814,302</u>	<u>18,907,533</u>
<b>Current assets</b>			
Debtors			
- due within one year	14	37,035,658	28,690,468
- due after one year	14	620,000	1,172,862
Cash at bank and in hand		1,172,118	948,692
		<u>38,827,776</u>	<u>30,812,022</u>
<b>Creditors: Amounts falling due within one year</b>	15	(55,296,562)	(45,280,394)
<b>Provisions for liabilities and charges due within one year</b>	16	(37,595)	(187,387)
<b>Net current liabilities</b>		<u>(16,506,381)</u>	<u>(14,655,759)</u>
<b>Total assets less current liabilities</b>		1,307,921	4,251,774
<b>Provisions for liabilities and charges due after one year</b>	16	(25,063)	(43,345)
<b>Net assets</b>		<u>1,282,858</u>	<u>4,208,429</u>
<b>Capital and reserves</b>			
Called up share capital	17	1,000	1,000
Share based payment reserve		(79,748)	(79,748)
Profit and loss account		1,361,606	4,287,177
<b>Shareholders' funds</b>		<u>1,282,858</u>	<u>4,208,429</u>

These financial statements were approved by the Board of Directors on 24 July 2009.

Signed on behalf of the Board of Directors

Neil Jones

Director



# **International Trade and Exhibitions (JV) Limited**

## **Notes to the accounts**

### **Year ended 30 September 2008**

#### **1. Accounting policies**

##### **Basis of accounting**

The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 1985 and applicable United Kingdom accounting standards.

The Company has taken advantage of the exemption in Financial Reporting Standard No.1 (Revised 1996) from the requirement to produce a cash flow statement on the grounds that it is a wholly-owned subsidiary undertaking and whose parent prepares a group cash flow statement that includes the Company.

The company has taken advantage of the exemption from the requirement to prepare accounts set out in Section 228 of the Companies Act 1985. The company's financial statements present information about it as an individual Company and not about its group. At 30 September 2008 and 30 September 2007 the company was a wholly-owned subsidiary undertaking of ITE Group plc, a company registered in England and Wales and group accounts have been prepared for that company.

##### **Going Concern**

In accordance with their responsibilities, the directors have considered the appropriateness of the going concern basis, which has been used in the preparation of these financial statements. The Company's business activities together with the factors likely to affect its future development, performance and position are set out in the Business Review on page 2.

Performance for the year shows the Company's sales are 0.4% above prior year at £16.1 million and profit after tax is below prior year at £0.6 million. The balance sheet on page 10 of the financial statements shows that the Company has net assets of £1.3 million against £4.2 million in 2007. Current assets (including cash) are 26% above prior year at £38.8 million.

However, as the Company is in a net current liability position, ITE Group Plc and its subsidiaries have committed to provide the necessary level of financial support to International Trade and Exhibitions Overseas Limited to enable it to pay its debts as they become due. ITE Group Plc and its subsidiaries have the necessary financial resources to fulfil that commitment.

The Company currently has no external credit facilities and hence the availability of funding to the Company is conducted through intercompany loans with fellow Group companies, if needed.

Trading and cash flow forecasts for the future have been prepared, which show the Company is expected to be profitable with sufficient cash resources for the foreseeable future.

After making due enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and for this reason the going concern basis continues to be adopted in preparing the financial statements.

##### **Turnover**

Turnover represents amounts receivable for goods and services provided in the normal course of business, net of trade discounts, VAT and other sales-related taxes.

##### **Revenue and profit recognition**

Revenue and profit is recognised over the course of an event. Billings and cash received in advance, and directly attributable costs relating to future events are deferred. The amounts so deferred are included in the balance sheet as deferred event income and prepaid event costs respectively. Losses anticipated at the balance sheet date are provided in full.

# **International Trade and Exhibitions (JV) Limited**

## **Notes to the accounts**

### **Year ended 30 September 2008**

#### **1. Accounting policies (continued)**

##### **Taxation**

Current tax, including UK corporation tax and foreign 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 taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements.

Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

##### **Financial liabilities and equity**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

##### **Intangible assets**

Goodwill arising on the acquisition of subsidiary undertakings and businesses, representing any excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired, is capitalised and written off on a straight-line basis over its useful economic life, which is up to a maximum of 20 years. Provision is made for any impairment.

Goodwill arising on acquisition in the year ended 30 September 1998 and earlier was written off to reserves in accordance with the accounting standard then in force. As permitted by the current accounting standard the goodwill previously written off to reserves has not been reinstated in the balance sheet. On disposal or closure of a previously acquired business, the attributable amount of goodwill written off to reserves is included in determining the profit or loss on disposal.

Trademarks are included at cost and depreciated on a straight-line basis over a period of 20 years. Provision is made for any impairment.

##### **Share-based payments**

The cost of share options is charged on a straight-line basis over the term to exercise of the options. The cost is calculated as the difference between the market value at date of grant and exercise price.

The Company adopted FRS 20 (Share-based payments) in the period ended 30 September 2007. The Company has applied the requirements of FRS 20 to all unvested share-based payments. The financial effects of the adoption of FRS20 are disclosed in note 18 to the accounts.

The Company issues equity-settled share-based payments to certain employees. These are measured at fair value (excluding the effect of non-market based vesting conditions) at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of shares that will eventually vest and adjusted for the effect of non-market based vesting conditions.

Fair value is measured using a Black-Scholes model. The expected life used in the model has been adjusted, for the effects of non-transferability, exercise restrictions and behavioural considerations based on management's best estimate.

# **International Trade and Exhibitions (JV) Limited**

## **Notes to the accounts**

**Year ended 30 September 2008**

### **1. Accounting policies (continued)**

#### **Foreign currency**

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction or their contractual rate where applicable. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated at the rates of exchange prevailing at that date. Gains and losses arising on the settlement of monetary items are included in profit or loss for the period.

#### **Bank borrowings**

Bank overdrafts are recorded at the proceeds received, net of direct issue costs. Finance charges are accounted for on an accrual basis to profit or loss.

#### **Tangible fixed assets**

Tangible fixed assets are stated at cost or valuation, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets, other than investment properties, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows:

Long leasehold buildings -50 years

Fixtures and fittings -10 years

Computers and other equipment - 4 years

#### **Investments**

Fixed asset investments are shown at cost less provision for any impairment.

#### **Leases**

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis.

#### **Finance costs**

Finance costs of financial liabilities are recognised in the profit and loss account over the term of such investment at a constant rate on the carrying amount.

#### **Derivative financial instruments**

The Group uses derivative financial instruments to reduce exposure to foreign exchange risk and interest rate movements. The Group does not hold or issue derivative financial instruments for speculative purposes.

For a forward foreign exchange contract to be treated as a hedge the instrument must be related to actual foreign currency assets or liabilities or to a probable commitment. It must involve the same currency or similar currencies as the hedged item and must also reduce the risk of foreign currency exchange movements on the Group's operations. Gains and losses arising on these contracts are deferred and recognised in the profit and loss account, or as adjustments to the carrying amount of fixed assets, only when the hedged transaction has itself been reflected in the Group's financial statements.

If an instrument ceases to be accounted for as a hedge, for example because the underlying hedged position is eliminated, the instrument is marked to market and any resulting profit or loss recognised at that time.

## International Trade and Exhibitions (JV) Limited

### Notes to the accounts

#### Year ended 30 September 2008

##### 2. Segmental analysis

The turnover is attributable to the Company's one principal activity, the organisation of trade exhibitions and conferences and can be analysed by geographic segment as follows.

	2008 £	2007 £
Russia & the CIS	12,489,077	14,761,665
Rest of World	3,640,658	1,296,000
	<u>16,129,735</u>	<u>16,057,665</u>

##### 3. Other operating income

Other operating income includes rental income of £291,707 (2007: £252,880).

##### 4. Operating profit

	2008 £	2007 £
The operating profit is stated after charging:		
Depreciation	318,914	293,959
Amortisation of goodwill and trademarks	1,149,103	1,144,512
Foreign exchange loss/(gain)	4,611,448	(143,313)
Operating lease rentals – other	441,000	440,490
	<u>6,519,465</u>	<u>2,735,648</u>

Audit fees of £20,000 (2007: £20,000) were borne by ITE Group Plc in respect of the audit of group companies.

##### 5. Interest receivable and similar income

	2008 £	2007 £
Interest from bank and short-term deposits	63,476	274,964
Other interest	1,230	97,280
	<u>64,706</u>	<u>372,244</u>



# International Trade and Exhibitions (JV) Limited

## Notes to the accounts Year ended 30 September 2008

### 6. Interest payable and similar charges

	2008 £	2007 £
Overdraft interest	281,332	427,999
Interest due to parent and fellow subsidiary undertakings	77,708	112,837
	<u>359,040</u>	<u>540,836</u>

### 7. Employees

#### (a) Number of employees

The average number of persons (including directors; 2008:4, 2007: 5) employed by the Company during the year was as follows:

	2008 No.	2007 No.
Administration	38	44
Technical and sales	55	55
	<u>93</u>	<u>99</u>

#### (b) Employee costs

Their aggregate remuneration comprised:

	2008 £	2007 £
Wages and salaries	2,960,316	5,193,196
Share-based payment costs	260,173	399,993
Social security costs	414,249	467,452
Other pension costs	15,083	15,083
	<u>3,649,821</u>	<u>6,075,724</u>
Gross total	3,649,821	6,075,724
Less: Charged to fellow subsidiaries	(1,068,568)	(833,590)
	<u>2,581,253</u>	<u>5,242,134</u>
Net charge to the Company	2,581,253	5,242,134

## International Trade and Exhibitions (JV) Limited

### Notes to the accounts

Year ended 30 September 2008

#### 8. Directors' emoluments

##### Emoluments

The emoluments of the directors of the Company were:

	2008 £	2007 £
Emoluments	1,674,456	2,281,195
Highest paid director	689,384	901,100

No contributions were made into pension schemes.

Directors' remuneration includes payments to Edward Strachan's consultancy Company, Kyzyl Tan Consultants Limited.

#### 9. Tax charge on profit on ordinary activities

	2008 £	2007 £
<b>Current taxation</b>		
UK corporation tax for the year	746,000	1,023,114
Adjustments to prior years' tax provisions	143,050	(395,589)
	889,050	627,525
Double taxation relief	(556,000)	-
	333,050	627,525
Foreign tax	93,444	212,666
Total current tax	426,494	840,191
Deferred taxation	80,985	(62,562)
Tax on profits on ordinary activities	507,479	777,629

# International Trade and Exhibitions (JV) Limited

## Notes to the accounts

### Year ended 30 September 2008

#### 9. Tax charge on profit on ordinary activities (continued)

The standard rate of tax for the year, based on the UK standard rate of corporation tax is 29%. The actual tax charge for the current and the previous year is less than the standard rate for the reasons set out in the following reconciliation:

	2008 £	2007 £
Profit on ordinary activities before tax	1,081,908	7,277,644
Tax at 29% (2007: 30%)	313,753	2,183,293
Effects of:		
Expenses not deductible for tax purposes	332,571	261,932
Movement in general provisions	2,600	-
Capital allowances in excess of depreciation	7,513	(52,245)
Income from shares in group undertakings taxed at source	(389,049)	(937,643)
Share based costs	(77,388)	(432,074)
Overseas tax – withholding tax	93,444	212,666
Adjustments to tax charge in respect of previous periods	143,050	(395,589)
Current tax charge for the year	426,494	840,191
<b>Deferred taxation</b>		
Accelerated capital allowances	57,000	64,513
Short term timing differences	(117,000)	(205,498)
Net deferred tax asset	(60,000)	(140,985)
Deferred tax asset	(140,985)	(78,423)
Deferred tax charge/(credit)	80,985	(62,562)
Net deferred tax asset at the end of the year	(60,000)	(140,985)

#### 10. Dividends

	2008 £	2007 £
Interim dividend paid of £nil (2007: £7,500) per ordinary share	-	7,500,000
Final dividend paid of £3,500 (2007: £nil) per ordinary share	3,500,000	-
	3,500,000	7,500,000

## International Trade and Exhibitions (JV) Limited

### Notes to the accounts Year ended 30 September 2008

#### 11. Intangible assets

	Trademarks £	Goodwill £	Total £
<b>Cost</b>			
Cost at 1 October 2007	70,858	24,426,187	24,497,045
Additions	-	-	-
Disposals	-	(27,167)	(27,167)
Cost at 30 September 2008	<u>70,858</u>	<u>24,399,020</u>	<u>24,469,878</u>
<b>Amortisation</b>			
Amortisation at 1 October 2007	4,795	13,941,001	13,945,796
Charge for the year	6,023	1,143,080	1,149,103
Amortisation at 30 September 2008	<u>10,818</u>	<u>15,084,081</u>	<u>15,094,899</u>
<b>Net book value</b>			
Net book value at 30 September 2008	<u>60,040</u>	<u>9,314,939</u>	<u>9,374,979</u>
Net book value at 30 September 2007	<u>66,063</u>	<u>10,485,186</u>	<u>10,551,249</u>

Trademark disposals in the year relate to the adjustment to the fair value of the Decor & Gifts goodwill.

## International Trade and Exhibitions (JV) Limited

### Notes to the accounts Year ended 30 September 2008

#### 12. Tangible fixed assets

	Short leasehold buildings £	Plant and equipment £	Total £
<b>Cost</b>			
Cost at 1 October 2007	945,569	1,708,902	2,654,471
Additions	-	420,597	420,597
Disposals	-	(18,644)	(18,644)
	<u>945,569</u>	<u>2,110,855</u>	<u>3,056,424</u>
<b>Cost at 30 September 2008</b>	<b>945,569</b>	<b>2,110,855</b>	<b>3,056,424</b>
<b>Depreciation</b>			
Depreciation at 1 October 2007	374,840	1,198,304	1,573,144
Charge for the year	48,777	270,137	318,914
	<u>423,617</u>	<u>1,468,441</u>	<u>1,892,058</u>
<b>Depreciation at 30 September 2008</b>	<b>423,617</b>	<b>1,468,441</b>	<b>1,892,058</b>
<b>Net book value</b>			
Net book value at 30 September 2008	<u>521,952</u>	<u>642,414</u>	<u>1,164,366</u>
Net book value at 30 September 2007	<u>570,729</u>	<u>510,598</u>	<u>1,081,327</u>

## International Trade and Exhibitions (JV) Limited

### Notes to the accounts

Year ended 30 September 2008

#### 13. Investments

The Company has investments in the following subsidiary undertakings. To avoid a statement of excessive length, details of investments which are not significant have been omitted.

Principal subsidiary undertakings	Country of incorporation or principal business	Principal activity	Holding	%
ITECA	Kazakhstan	Exhibitions & Conferences	Ordinary Shares	100
OOO Primexpo	Russia	Exhibitions & Conferences	Ordinary Shares	100
Iteca Caspian Limited	Azerbaijan	Exhibitions & Conferences	Ordinary Shares	100
ITE Uzbekistan	Uzbekistan	Exhibitions & Conferences	Ordinary Shares	100
Iteca Ala-Too	Kyrgyzstan	Exhibitions & Conferences	Ordinary Shares	100

	Shares & equity £	Loans £	Total £
<b>Cost</b>			
1 October 2007	4,986,888	12,908,420	17,895,308
Additions	-	-	-
30 September 2008	<u>4,986,888</u>	<u>12,908,420</u>	<u>17,895,308</u>
<b>Provisions</b>			
1 October 2007 and 30 September 2008	-	10,620,351	10,620,351
<b>Net book value</b>			
30 September 2008	<u>4,986,888</u>	<u>2,288,069</u>	<u>7,274,957</u>
30 September 2007	<u>4,986,888</u>	<u>2,288,069</u>	<u>7,274,957</u>

Loans represent amounts advanced to ITE Overseas Ltd, a fellow group undertaking.

## International Trade and Exhibitions (JV) Limited

### Notes to the accounts

Year ended 30 September 2008

#### 14. Debtors

	2008 £	2007 £
<b>Debtors due within one year</b>		
Trade debtors	5,817,557	3,564,076
Amounts owed by parent and fellow subsidiary undertakings	27,434,546	22,620,794
Deferred tax asset	92,000	140,985
Corporation tax prepaid	2,253,215	642,874
Other debtors	245,612	274,772
Venue loans and other loans	594,457	1,061,144
Prepayments and accrued income	598,271	385,823
	<u>37,035,658</u>	<u>28,690,468</u>
<b>Debtors due after one year</b>		
Venue loans and other loans	620,000	1,172,862
	<u>620,000</u>	<u>1,172,862</u>

#### 15. Creditors: amounts falling due within one year

	2008 £	2007 £
Overdraft	6,568,330	13,306,474
Trade creditors	80,317	292,858
Amounts owed to parent and fellow subsidiary undertakings	34,043,129	19,000,356
Taxation and social security	157,203	1,758,386
Deferred tax liability	32,000	-
Other creditors	719,222	772,114
Accruals and deferred event income	12,158,793	10,150,206
Loans payable	1,537,568	-
	<u>55,296,562</u>	<u>45,280,394</u>

## International Trade and Exhibitions (JV) Limited

### Notes to the accounts Year ended 30 September 2008

#### 16. Provisions for liabilities and charges

	<b>National Insurance on share options £</b>	<b>Deferred con- sideration £</b>	<b>Total £</b>
1 October 2007	169,791	60,941	230,732
Released to the profit and loss account	-	-	-
Paid during the year	(107,133)	(60,941)	(168,074)
30 September 2008	<u>62,658</u>	<u>-</u>	<u>62,658</u>
Included in current liabilities	37,595	-	37,595
Included in non-current liabilities	25,063	-	25,063
	<u>62,658</u>	<u>-</u>	<u>62,658</u>

The provision for National Insurance on share options is calculated by reference to the employers National Insurance cost on the potential gain based on the difference between the exercise price and share price for those share options where the share price exceeds the exercise price at 30 September 2008.

The deferred consideration related to the acquisitions of Photo Fair and Gifts & Décor event. This was settled during the year.

#### 17. Share capital

	<b>2008 £</b>	<b>2007 £</b>
<b>Authorised share capital:</b>		
1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
<b>Allotted, called up and fully paid:</b>		
1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

#### 18. Share-based payments

##### Share option plans

The Group operates a share option plan for all employees of the Group. Options are exercisable at a price equal to the average quoted market price of the parent company's share on the date of grant. The vesting period is either three or five years and are exercisable up to 10 years from granting. The options are forfeited if the employee leaves the Group before the options vest.



## International Trade and Exhibitions (JV) Limited

### Notes to the accounts

### Year ended 30 September 2008

#### 18. Share-based payments (continued)

##### Performance share plans

The Group operated a Performance Share Plan ("PSP") for executives and staff. Awards under the PSP are at an exercise value of either 1p or nil. Awards can be made to an employee over shares up to a maximum of 100% of base salary each year based on market value. The vesting period is three years and are exercisable up to 10 years from the date of grant. The options are forfeited if the employee leaves the Group before the options vest. The awards are also subject to a performance target.

Details of the share options outstanding as at 30 September 2008 are as follows:

	2008 Number of share options	2008 Weighted average exercise price (p)	2007 Number of share options	2007 Weighted average exercise price (p)
Share option plans				
Outstanding at beginning of period	1,524,450	46.1	2,892,000	50.7
Granted during the period	467,500	146.0	-	-
Lapsed during the period	(30,000)	(146.0)	(115,000)	(85.5)
Exercised during the period	(1,374,500)	(42.6)	(1,252,550)	(53.0)
Outstanding at end of the period	<u>587,450</u>		<u>1,524,450</u>	
Performance share plans				
Outstanding at beginning of period	701,700	0.5	1,233,718	0.7
Granted during the period	265,000	1.0	-	-
Lapsed during the period	(11,250)	-	(33,000)	(0.1)
Exercised during the period	(361,650)	(0.6)	(499,018)	(1.0)
Outstanding at the end of the period	<u>593,800</u>		<u>701,700</u>	

The weighted average share price at the date of exercise for share options exercised during the period was 168p. The options outstanding at 30 September 2008 had a weighted average exercise price of 87p, and a weighted average remaining contractual life of 541 days.

The Company recognised total expenses of £260,173 and £399,993 related to equity settled share-based payment transactions in 2008 and 2007 respectively.

## International Trade and Exhibitions (JV) Limited

### Notes to the accounts

### Year ended 30 September 2008

#### 18. Share-based payments (continued)

The inputs into the Black-Scholes Option Pricing model are as follows:

	2008 Performance share plan	2008 Share Option plan	2007 Performance share plan
Weighted average share price	148p-180p	140p	172p
Weighted average exercise price	1p	146p	0p
Expected volatility	28.7%-31.2%	29.4%	0%
Expected life	3 years	6 years	3 years
Risk free rate	4.30%-4.96%	4.4%	n/a
Dividend yield	2.67%-3.00%	3.2%	2.03%

#### 19. Contingent liabilities

At 30 September 2008 the Company had no material contingent liabilities (2007: £nil).

#### 20. Derivatives

As at 30 September 2008 the Company has derivatives which are not included at fair value in the accounts:

	2008 €000	2007 €000
Foreign currency forward- plus contracts	<u>11,000</u>	<u>41,000</u>

The Company utilises currency derivatives to hedge significant highly probable forecast transactions and cash flows. During the year the Company has been party to foreign currency forward-plus contracts in the management of its exchange rate exposures to highly probable forecast Euro currency receipts. The instruments purchased are denominated in Euros.

Under the forward-plus contract, the Company has a right but not an obligation, to sell Euros for Sterling at a specified strike rate at specified dates. However, if the spot rate is at or below the specified barrier rate on any business day during the barrier period the right to sell Euros becomes an obligation, at the specified strike rate.

As at 30 September 2008 the notional amounts of outstanding foreign currency forward-plus contracts that the Company has committed to amounted to €11 million. These arrangements are designed to address significant exchange exposures for the next six months and are renewed on a revolving basis as required, subject to not committing the Company to less than six months or more than 18 months in the future.

At 30 September 2008, the fair value of these derivatives is estimated to be a liability of approximately £1.0 million (2007: £0.6 million). These amounts are based on market valuations.

## International Trade and Exhibitions (JV) Limited

### Notes to the accounts

### Year ended 30 September 2008

#### 20. Derivatives (continued)

The Group has taken out foreign currency overdrafts in Euros and US Dollars to act as a natural hedge against certain currency trade receivable balances. These borrowings have not been designated as hedging instruments by management. All foreign exchange movements on these borrowings and trade receivables are recognised directly in the income statement.

#### 21. Financial commitments

Annual commitments under non cancellable operating leases are as follows:

	2008 £	2007 £
Land and buildings		
Expiry date after five years	441,000	440,490

#### 22. Related party transactions

During the year the Company has transacted with 24/7 Translations Limited, of which Spencer Wreford is a director. In total the services charged to the Company were £2,401 (2007: £15,230). No amounts were owed at 30 September 2008 (2007: £Nil).

During the year the Company has transacted with Kyzyl Tan Consultants Limited, of which Edward Strachan is a director. In total the services charged to the Company were £652,000 (2007: £641,827). No amounts were owed at 30 September 2008 (2007: £Nil).

The company has taken advantage of the exemption granted by paragraph 3(c) of Financial Reporting Standard No. 8, Related Party Transactions, not to disclose transactions with other members of the group headed by ITE Group Plc.

#### 23. Ultimate parent company

The Company is a subsidiary undertaking of ITE Enterprises Limited, a Company incorporated in Great Britain and registered in England and Wales. The smallest and largest group in which the results of International Trade and Exhibitions (JV) Limited are consolidated is that headed by ITE Group Plc (registered office 105 Salusbury Road, London NW6 6RG). The accounts of ITE Enterprises Limited and the consolidated accounts of ITE Group Plc may be obtained from ITE Group Plc at the same address.