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NEC FINANCE plc

ANNUAL REPORT FOR THE YEAR  
ENDED 31 MARCH 1995

Registered Number: 2652843

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Registered Office:  
NEC Finance plc  
Birmingham B40 1NT  
Tel. No. 0121 780 4141

## REPORT OF THE DIRECTORS

### 1. Report and Financial Statements

The Directors present their report and the audited financial statements for the year ended 31 March 1995.

### 2. Principal Activities of the Company

The Company is a wholly owned subsidiary of The National Exhibition Centre Limited, and was incorporated for the purpose of raising finance for the construction, by the National Exhibition Centre, of additional exhibition space. The Company's principal activities remain that of raising finance and holding investments.

### 3. Capital and Finance

3.1 The Company has issued 50,000 Ordinary Shares of £1 each, all of which are in the beneficial ownership of The National Exhibition Centre Limited and are paid up as 50p per share.

3.2 The Company has issued and outstanding £100,000,000 10.625% Debenture Stock 2016 and £115,000,000 13.625% Debenture Stock 2016 (The Debenture Stock). The Debenture Stock was created by Resolutions of the Board of Directors and is constituted and secured by a Trust Deed. The Debenture Stock is listed on the London Stock Exchange and is secured by Unsecured Loan Stocks of The National Exhibition Centre Limited which are guaranteed by Birmingham City Council. £90,000,000 of the 13.625% Stock was issued at a premium price of £119.215 per £100 Debenture Stock.

### 4. Results

The results of the Company for the year are set out in the Profit and Loss Account on page 5.

### 5. Fixed Asset Investments

Fixed Asset Investments represent the Unsecured Loan Stock of The National Exhibition Centre Limited.

### 6. Dividends and transfers to reserves

The Directors recommend that no dividend be declared in respect of the year ended 31 March 1995. The profit for the financial year of £97 will be transferred to reserves.

### 7. Directors

The Directors of the Company at 31 March 1995, all of whom were non-Executive Directors, were:-

Mr R S Burman (Chairman)  
Councillor A Bore  
Sir Adrian Cadbury  
Councillor A Coulson

The only Director to hold any shares of the Company during or at the end of the year is Mr R S Burman, who holds one share. There have been no changes in Directors' interests since the end of the financial year.

None of the Directors had a material interest in any contracts of significance subsisting during or at the end of the year.

## 7. Directors continued

Biographical details of the above non-Executive Directors are shown below:

### Roger S Burman CBE BSc DL

Roger Burman has been Chairman of The National Exhibition Centre Limited since 1989, having first joined the Board in 1984. He is a past President of the Birmingham Chamber of Commerce and Industry and of the British Chambers of Commerce.

He is Chairman and Managing Director of the Tipton-based electronics company Teledictor Ltd. He has been a member of the British Overseas Trade Board and is currently Pro-Chancellor of the University of Birmingham.

He has an interest in the jewellery industry through the Birmingham Assay Office and is currently Chairman of the British Hallmarking Council.

### Councillor Albert Bore PhD BSc

Councillor Dr Albert Bore is Chairman of the Birmingham City Council's General Purpose Committee and is a lecturer in Physics at the Aston University. He has been a member of Birmingham City Council, representing Ladywood Ward since 1980.

He is also a member of several local organisations and companies including Birmingham Credit Union Development Agency Ltd, Birmingham Media Development Agency Ltd, West Midlands Development Agency Ltd, West Midlands Enterprise Board Ltd, Birmingham Conservation Ltd, Birmingham Development Partnership Ltd, Birmingham Technology Ltd, Birmingham Technology (Property) Ltd, Birmingham Technology (Services) Ltd, Birmingham Technology (Venture Capital) Ltd, Summerfield Foundation Ltd, The National Exhibition Centre Limited, Birmingham Heartlands Development Corporation.

For several years he has represented Birmingham City Council on Eurocities, a network of over 50 of the largest cities in the European Union, and has recently been appointed as a UK representative on the European Committee of Regions.

### Sir (George) Adrian Hayhurst Caddbury MA DSc

Sir Adrian has been a member of The National Exhibition Centre Limited Board of Directors since 1989. He is a Director of IBM United Kingdom Holdings Ltd and Director and Chairman of Promotion of Non-Executive Directors (Pro NED). He is Chancellor of Aston University and a past-President of the Birmingham Chamber of Commerce and Industry.

### Councillor Andrew Coulson PhD MA

Councillor Andrew Coulson, a Lecturer in Local Government Finance at the University of Birmingham, is Chair of the National Exhibition Centre/International Convention Centre Committee.

He is also a member of the Birmingham City Council's Education Committee, Environmental Services and Consumer Protection Committee, the Cycling Advisory Group, the West Midlands Waste Regulation Advisory Committee and Chair of the Birmingham and Solihull Transport Users Advisory Committee.

He has represented Selly Oak Ward since 1990 and taken a special interest in the relationships between students and permanent residents in Bournbrook, Selly Oak and in finding the best future for the Bristol Road and the shops that depend on it.

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#### 8. Directors' responsibilities for the Financial Statements

Company law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit or loss for that period. In preparing these financial statements, the Directors confirm that they have:

selected suitable accounting policies and then applied them consistently;

made judgments and estimates that are reasonable and prudent;

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

prepared the financial statements on the going concern basis.

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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

#### 9. Employees

There are no employees of NEC Finance plc.

#### 10. Taxation Status

The company was not a close company within the meaning of the Income and Corporation Taxes Act 1988 during the year, and this position has not changed since the end of the financial year.

#### 11. Auditors

A resolution to reappoint Coopers & Lybrand as the Company's auditors will be proposed at the Annual General Meeting.

BY ORDER OF THE BOARD



K LINDSAY HOLGATE BA(Econ) FCCA FCIS  
Company Secretary

NEC Finance plc  
Birmingham B40 1NT

## REPORT OF THE AUDITORS TO THE MEMBERS OF NEC FINANCE plc

We have audited the financial statements set out on pages 5 to 10.

### Respective responsibilities of Directors and Auditors

As described on page 3 the Company's Directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

### 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 financial statements. It also includes an assessment of the significant estimates and judgments made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### Opinion

In our opinion the financial statements give a true and fair view of the state of the Company's affairs at 31 March 1995 and of the results for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Coopers & Lybrand  
Chartered Accountants and Registered Auditors.  
Birmingham

1 September 1995

## PROFIT AND LOSS ACCOUNT for the year ended 31 March 1995

	<u>Notes</u>	<u>1995</u> £000	<u>1994</u> £000
Administrative Expenses		(17)	(19)
Other Operating Income	2	17	19
Investment Income	3	26,294	26,295
Interest Payable and similar Charges	4	(26,294)	(26,294)
Profit on Ordinary Activities before taxation	5	-	1
Profit for the Financial Period		-	1
Transferred to Reserves			

## MOVEMENT ON PROFIT AND LOSS ACCOUNT

	<u>1995</u> £000
At 31 March 1994	2
Retained Profit for the year	-
At 31 March 1995	2

The results for the Company are all in respect of continuing operations.

The Company has no recognised gains and losses other than the profits above and therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between the profit on ordinary activities before taxation and the retained profit stated above, and their historical cost equivalents.

The notes on pages 7 to 10 form part of these financial statements.

## BALANCE SHEET at 31 March 1995

	Notes	1995 £000	1994 £000
<b>Fixed Assets</b>			
Investments	7	215,000	215,000
<b>Current Assets</b>			
Debtors	8	26	24
Investments (short term deposits)	9	-	25
Cash at Bank and in Hand	10	18	-
		44	49
<b>Creditors - amounts falling due within one year</b>			
Borrowings	11	-	(1)
Other Creditors	12	(17)	(21)
<b>Net Current Assets</b>		<b>27</b>	<b>27</b>
<b>Total Assets less Current Liabilities</b>		<b>215,027</b>	<b>215,027</b>
<b>Creditors - amounts falling due after more than one year</b>			
Borrowings	13	(215,000)	(215,000)
<b>Total Net Assets</b>		<b>27</b>	<b>27</b>
<b>Capital and Reserves</b>			
Called up Share Capital	14	25	25
Profit and Loss Account		2	2
<b>Equity Shareholders' Funds</b>	<b>15</b>	<b>27</b>	<b>27</b>

Signed on behalf of the Board on 1995

Director

Director

*[Signature]*  
*Andrew C. Cullen*

The notes on pages 7 to 10 form part of these financial statements.



## NOTES TO THE FINANCIAL STATEMENTS

## 1. Principal Accounting Policies

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom and under the historical cost convention.

## 2. Other Operating Income

	1995 £000	1994 £000
Other income	17	19
	17	19

## 3. Investment Income

	1995 £000	1994 £000
Income from loans to Parent Company	26,294	26,294
Other Interest receivable	-	1
	26,294	26,295

## 4. Interest payable and similar Charges

	1995 £000	1994 £000
Interest on loans repayable in more than 5 years	26,294	26,294
	26,294	26,294

## 5. Profit on ordinary activities before taxation

	1995 £000	1994 £000
After charging:		
Auditors' remuneration - Audit Fees	4	4
- Non-audit Fees	-	1

6. Directors' and employees' emoluments

No emoluments were paid to any Directors of the Company. Other than the Directors there are no employees of the Company.

7. Fixed Asset Investments

	1995 £000
Cost at 1 April 1994	215,000
Additions	-
Disposals	-
Cost at 31 March 1995	215,000

The investments represent the Unsecured Loan Stock of The National Exhibition Centre Limited as follows:-

£100,000,000 10.625% Unsecured Loan Stock 2016  
£115,000,000 13.625% Unsecured Loan Stock 2016

Birmingham City Council has guaranteed the payment of the full amount of the principal of, and interest accruing on, the Loan Stocks as they fall due (see Note 13).

8. Debtors

	1995 £000	1994 £000
Amounts falling due within one year:		
Amounts owed by Parent Company	25	23
Prepayments and accrued income	1	1
	26	24

9. Investments

	1995 £000	1994 £000
Trade Investments:		
Short Term Deposits	-	25
	-	25

10. Cash at Bank and in hand

	1995 £000	1994 £000
Bank	18	-
	18	-

11. Borrowings - amounts falling due within one year

	1995 £000	1994 £000
Bank Overdraft	-	1

12. Creditors - amounts falling due within one year

	1995 £000	1994 £000
Amounts owed to Parent Company	10	10
Accruals and deferred income	7	11
	17	21

13. Borrowings - amounts falling due after more than one year

	1995 £000	1994 £000
10.625% Debenture Stock 2016	100,000	100,000
13.625% Debenture Stock 2016	115,000	115,000
	215,000	215,000

The Company has issued and outstanding £100,000,000 10.625% Debenture Stock 2016 and £115,000,000 13.625% Debenture Stock 2016 (The Debenture Stock). The Debenture Stock was created by Resolutions of the Board of Directors and is constituted and secured by a Trust Deed. The Debenture Stock is listed on the London Stock Exchange and is secured by Unsecured Loan Stocks of The National Exhibition Centre Limited which are guaranteed by Birmingham City Council. £90,000,000 of the 13.625% Debenture Stock was issued at a premium price of £119.275 per £100 Debenture Stock.

14. Called Up Share Capital

	1995 £000	1994 £000
50,000 Ordinary Shares of £1 each authorised and allotted, 50p paid up	25	25

15. Reconciliation of movements in shareholders' funds

	1995 £000	1994 £000
Opening shareholders' funds	27	26
Profit for the financial period	-	1
Closing shareholders' funds	27	27

16. Ultimate Parent Company

The Directors regard The National Exhibition Centre Limited, a company registered in England and Wales, as the ultimate parent company. According to the register kept by the Company, The National Exhibition Centre Limited has a 100% interest in the equity capital of NEC Finance plc at 31 March 1995. Copies of the parent's consolidated financial statement may be obtained from The Secretary, The National Exhibition Centre Limited, Birmingham B40 1NT.