

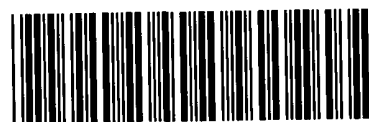
**Registered number: 03301940**

# **THE NATIONAL EXHIBITION CENTRE (DEVELOPMENTS) PLC**

## **ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2017**

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**THE NATIONAL EXHIBITION CENTRE (DEVELOPMENTS) PLC**

**COMPANY INFORMATION**

<b>DIRECTORS</b>	M Easton M O'Donnell
<b>COMPANY SECRETARY</b>	J W Banner
<b>REGISTERED NUMBER</b>	03301940
<b>REGISTERED OFFICE</b>	Legal Services 10 Woodcock Street Birmingham B7 4BL
<b>INDEPENDENT AUDITOR</b>	Grant Thornton UK LLP Statutory Auditor, Chartered Accountants The Colmore Building Colmore Circus Birmingham B4 6AT

# **THE NATIONAL EXHIBITION CENTRE (DEVELOPMENTS) PLC**

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## **THE NATIONAL EXHIBITION CENTRE (DEVELOPMENTS) PLC**

### **STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2017**

The Directors present their Strategic report on the company for the year ended 31 March 2017.

#### **INTRODUCTION AND PRINCIPAL ACTIVITY**

The sole function of the Company is the servicing of the finance originally raised to fund the construction of halls 17 to 20 at the National Exhibition Centre Birmingham.

#### **BUSINESS REVIEW**

During the year the Company operated in line with expectations and Birmingham City Council ("BCC") made an effective contribution to the Company of £293k which has been recognised as a capital contribution.

#### **PRINCIPAL RISKS AND UNCERTAINTIES**

The principal risks and uncertainties continue to be focused on the financial risks of the Company.

The Company's financial instruments comprise borrowings, cash and various items such as debtors and creditors that arise directly from its activities.

It is the Company's policy that no trading in financial instruments shall be undertaken.

The main risks arising from the Company's financial instruments are interest rate risk, liquidity risk and credit risk. The Board reviews and agrees policies for managing each of these risks and those policies are summarised below.

##### **Interest rate risk**

The Company finances its operations through debenture stock at fixed rates of interest. All of the company's borrowings are in Sterling and therefore this eliminates any foreign currency risk.

##### **Liquidity risk**

Company policy is to ensure continuity of available funding by ensuring that the maturity profiles of its borrowings and investments are matched.

BCC meets the costs related to the 2027 Loan Stock and makes payments to the company to enable it to meet its liabilities as they fall due.

##### **Credit risk**

The company is dependent on receipts of funds from BCC to meet its liabilities as they fall due. The directors consider the credit risk to be low owing to the fact BCC is a local authority with a strong income and asset base

**THE NATIONAL EXHIBITION CENTRE (DEVELOPMENTS) PLC**

**STRATEGIC REPORT (continued)**

**KEY PERFORMANCE INDICATORS**

The Directors consider the ongoing activities of the Company to be straightforward and there are no Key Performance Indicators for the company.

This report was approved by the board on

14/09/17.

and signed on its behalf.

**J W BANNER**  
Secretary

A handwritten signature in black ink, consisting of a large, stylized 'J' followed by a series of loops and a long horizontal stroke extending to the right.

## **THE NATIONAL EXHIBITION CENTRE (DEVELOPMENTS) PLC**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2017**

The directors present their report and the financial statements for the year ended 31 March 2017.

#### **RESULTS AND DIVIDENDS**

The loss for the year, after taxation, amounted to £973,000 (2016 - loss £926,000).

The directors do not propose to pay a dividend (2016: £Nil).

#### **FUTURE DEVELOPMENTS**

The Directors do not anticipate any changes to the Company's current activities for the foreseeable future.

#### **POST BALANCE SHEET EVENTS**

There have been no significant events affecting the Company since the year end.

#### **FINANCIAL INSTRUMENTS**

Please refer to page 1 in the Strategic report for details of financial instruments and their associated risks.

#### **DIRECTORS**

The directors who served during the year and up to the date of approval of these financial statements were:

P Dransfield	(resigned 1 August 2017)
M Easton	(appointed 1 August 2017)
P Jones	(resigned 31 March 2017)
M O'Donnell	(appointed 31 March 2017)

#### **QUALIFYING THIRD PARTY INDEMNITY PROVISIONS**

Birmingham City Council maintains Directors and Officers insurance which both the Company and Directors have the benefit of.

#### **CORPORATE GOVERNANCE**

The company has a listed security in issue and is required to comply with the applicable sections DTR7.1 and DTR7.2 of the Financial Conduct Authority ("FCA") handbook.

##### **The Board**

The Board comprises two board members and is responsible for managing the affairs of the Company. It meets a minimum of once a year to discuss the requirements of the Company.

##### **Capital structures**

1,000 ordinary shares of £1 each have been issued which are fully paid. The shares carry the rights to appoint and remove the Directors. BCC holds all the ordinary shares.

##### **Financial Reporting**

The Board specifically monitors the statutory audit of the annual accounts, including the independence of the statutory auditor.

##### **Internal control and risk management**

Internal control and risk management is actively monitored by BCC for the Group as a whole. More information is contained with BCC's Annual Governance Statement included within its latest financial statements which can be obtained from its website

## THE NATIONAL EXHIBITION CENTRE (DEVELOPMENTS) PLC

### DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2017

#### DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Strategic Report, the Directors' 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under Company law the directors must not approve the financial statements unless 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.

#### DISCLOSURE OF INFORMATION TO AUDITOR

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

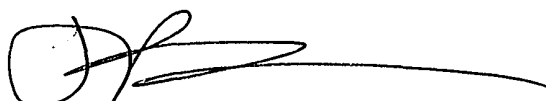
- so far as that director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

#### AUDITOR

A resolution to re-appoint Grant Thornton UK LLP as auditor to the company will be proposed at the annual general meeting.

This report was approved by the board on 14/09/17 and signed on its behalf.

**J W BANNER**  
Secretary



## **THE NATIONAL EXHIBITION CENTRE (DEVELOPMENTS) PLC**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE NATIONAL EXHIBITION CENTRE (DEVELOPMENTS) PLC**

We have audited the financial statements of The National Exhibition Centre (Developments) plc for the year ended 31 March 2017 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity, the statement of cash flows and the related notes. 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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 set out on page 4, 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**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

#### **OPINION ON FINANCIAL STATEMENTS**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2017 and of its loss 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 MATTERS PRESCRIBED BY THE COMPANIES ACT 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements, and
- the information given in the Corporate Governance Statement set out on page 3 with respect to internal control and risk management systems in relation to financial reporting processes and about share capital structures is consistent with the financial statements.

#### **MATTER ON WHICH WE ARE REQUIRED TO REPORT UNDER THE COMPANIES ACT**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.



**THE NATIONAL EXHIBITION CENTRE (DEVELOPMENTS) PLC**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE NATIONAL EXHIBITION CENTRE (DEVELOPMENTS) PLC**

**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 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; or
- a Corporate Governance Statement has not been prepared by the company.



David White  
Senior Statutory Auditor  
for and on behalf of Grant Thornton UK LLP  
Statutory Auditor, Chartered Accountants  
Birmingham  
Date: 18/9/17

THE NATIONAL EXHIBITION CENTRE (DEVELOPMENTS) PLC

STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 MARCH 2017

	Note	Continuing Operations 2017 £000	Continuing Operations 2016 £000	Discontin'd Operations 2016 £000	Total 2016 £000
Turnover		-	-	569	569
<b>Gross profit</b>		-	-	569	569
Administrative Expenses		(53)	(83)	(103)	(186)
<b>Operating (loss)/ profit</b>		(53)	(83)	466	383
Interest receivable and similar income	7	4,601	4,235	-	4,235
Interest payable and expenses	8	(5,521)	(5,544)	-	(5,544)
<b>(Loss) / profit before tax</b>		(973)	(1,392)	466	(926)
Tax on (loss) / profit	9	-	-	-	-
<b>(Loss) / profit for the year</b>		(973)	(1,392)	466	(926)
		<u><u>          </u></u>	<u><u>          </u></u>	<u><u>          </u></u>	<u><u>          </u></u>
<b>Total comprehensive income for the year</b>		(973)			(926)
		<u><u>          </u></u>			<u><u>          </u></u>

The notes on pages 11 to 19 form part of these financial statements.

**THE NATIONAL EXHIBITION CENTRE (DEVELOPMENTS) PLC**  
**REGISTERED NUMBER: 03301940**

**BALANCE SHEET**  
**AS AT 31 MARCH 2017**

	Note	2017 £000	2016 £000
<b>Current assets</b>			
Debtors: amounts falling due after more than one year	10	81,759	82,678
Debtors: amounts falling due within one year	10	979	958
Cash at bank and in hand	11	101	101
		<u>82,839</u>	<u>83,737</u>
Creditors: amounts falling due within one year	12	(300)	(278)
<b>Net current assets</b>		<u>82,539</u>	<u>83,459</u>
<b>Total assets less current liabilities</b>		<u>82,539</u>	<u>83,459</u>
Creditors: amounts falling due after more than one year	13	(73,468)	(73,708)
<b>Net assets</b>		<u>9,071</u>	<u>9,751</u>
<b>Capital and reserves</b>			
Called up share capital	16	1	1
Capital contribution	17	13,240	12,947
Profit and loss account	17	(4,170)	(3,197)
<b>Total equity</b>		<u>9,071</u>	<u>9,751</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

14.9.17

**M O'Donnell**  
Director



The notes on pages 11 to 19 form part of these financial statements.

**THE NATIONAL EXHIBITION CENTRE (DEVELOPMENTS) PLC**

**STATEMENT OF CHANGES IN EQUITY  
AS AT 31 MARCH 2017**

	Share capital £000	Capital contribution £000	Retained earnings £000	Total equity £000
At 1 April 2016	1	12,947	(3,197)	9,751
<b>Comprehensive income for the year</b>				
Loss for the year	-	-	(973)	(973)
<b>Total comprehensive income for the year</b>	-	-	(973)	(973)
<b>Contributions by and distributions to owners</b>				
Capital contributions	-	293	-	293
<b>Total transactions with owners</b>	-	293	-	293
<b>AT 31 March 2017</b>	<b>1</b>	<b>13,240</b>	<b>(4,170)</b>	<b>9,071</b>

**STATEMENT OF CHANGES IN EQUITY  
AS AT 31 MARCH 2016**

	Share capital £000	Capital contribution £000	Retained earnings £000	Total equity £000
At 1 April 2015	1	-	(2,271)	(2,270)
<b>Comprehensive income for the year</b>				
Loss for the year	-	-	(926)	(926)
<b>Total comprehensive income for the year</b>	-	-	(926)	(926)
<b>Contributions by and distributions to owners</b>				
Capital contributions	-	12,947	-	12,947
<b>Total transactions with owners</b>	-	12,947	-	12,947
<b>AT 31 March 2016</b>	<b>1</b>	<b>12,947</b>	<b>(3,197)</b>	<b>9,751</b>

The notes on pages 11 to 19 form part of these financial statements.

**THE NATIONAL EXHIBITION CENTRE (DEVELOPMENTS) PLC**

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 MARCH 2017**

	<b>2017 £000</b>	<b>2016 £000</b>
<b>Cash flows from operating activities</b>		
Loss for the financial year	<b>(973)</b>	(926)
<b>Adjustments for:</b>		
Interest paid	<b>5,521</b>	5,544
Interest received	<b>(4,601)</b>	(4,235)
Increase/(decrease) in creditors	<b>20</b>	(573)
<b>Net cash used in operating activities</b>	<b>(33)</b>	(190)
<b>Cash flows from financing activities</b>		
Interest paid	<b>(5,521)</b>	(5,521)
Amounts received under loan guarantee	<b>5,521</b>	5,062
Capital contributions received	<b>33</b>	48
<b>Net cash generated by/ (used in) financing activities</b>	<b>33</b>	(411)
<b>Net decrease in cash and cash equivalents</b>	<b>0</b>	(601)
Cash and cash equivalents at beginning of year	<b>101</b>	702
<b>Cash and cash equivalents at the end of year</b>	<b>101</b>	101
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	<b>101</b>	101

The notes on pages 11 to 19 form part of these financial statements.

## THE NATIONAL EXHIBITION CENTRE (DEVELOPMENTS) PLC

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

#### 1. GENERAL INFORMATION

The National Exhibition Centre (Developments) Plc (the "Company") services the debt raised to enable the construction of Halls 17 to 20 of the National Exhibition Centre, Birmingham.

The Company is a public company limited by shares, incorporated in England and Wales, with loan stock that is traded on the London Stock Exchange. The address of its registered office is 10 Woodcock Street, Birmingham, B7 4BL.

#### 2. ACCOUNTING POLICIES

##### 2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

The financial statements are prepared in GBP and rounded to the nearest £'000.

The Company has no source of income other than Birmingham City Council ("BCC"). BCC has given a guarantee to the company in relation to the 2027 Loan Stock and has agreed to make payments to the company to enable it to meet all of its other liabilities as they fall due for at least twelve months following the date of approval of these financial statements. The going concern basis is therefore adopted in preparing the financial statements.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

##### 2.2 Cash and cash equivalents

Cash is represented by cash held with Birmingham City Council repayable on demand without penalty on notice of not more than 24 hours.

##### 2.3 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like accounts receivable and payable and loans from related parties.

As permitted by FRS 102, the company has applied the recognition and measurement principles of IAS 39 to all of its financial instruments.

The company has financial assets in the loans and receivables category which subsequent to initial measurement at fair value, net of transaction costs, are measured at amortised cost using the effective interest rate method less any impairment.

The company's financial assets are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the statement of comprehensive income.

# THE NATIONAL EXHIBITION CENTRE (DEVELOPMENTS) PLC

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

### 2. ACCOUNTING POLICIES (continued)

The company's financial liabilities are not classified as fair value through profit or loss and are therefore measured initially at fair value, net of transaction costs, and subsequently at amortised cost using the effective interest rate method.

The zero coupon unsecured loan notes are shown at cost, but the difference is not material.

Short term creditors are measured at the transaction price.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

#### 2.4 Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

#### 2.5 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

#### 2.6 Borrowing costs

All borrowing costs are recognised in the Statement of Comprehensive Income in the year in which they are incurred.

#### 2.7 Taxation

Tax is recognised in the Statement of Comprehensive Income, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax is recognised in respect of all timing differences at the reporting date, except that deferred tax assets are only recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

## THE NATIONAL EXHIBITION CENTRE (DEVELOPMENTS) PLC

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

#### 3. JUDGMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The Directors have made the following judgments and estimates in preparing the financial statements:

##### **Judgments**

The potential deferred tax asset referred to in note 9 has not been recognised on the basis of uncertainty in relation to its future recovery.

##### **Estimates**

An active market quote did not exist for the guarantee given by Birmingham City Council over the Company's 2027 Loan Stock at 1 May 2015. Management therefore developed an estimate of its fair value at initial recognition based on the trading price of the company's listed loan stock given the cash flows are identical.

#### 4. OPERATING SEGMENTS

There is not considered to be more than one reportable segment.

#### 5. AUDITOR'S REMUNERATION

	2017 £000	2016 £000
Fees payable to the Company's auditor and its associates for the audit of the Company's annual accounts	42	12

#### 6. EMPLOYEES

The Company has no employees other than the directors, who did not receive any remuneration (2016 - £NIL).

The Directors are considered to be the key management personnel of the company.

#### 7. INTEREST RECEIVABLE

	2017 £000	2016 £000
Amortisation of loan guarantee receivable	4,601	4,235

#### 8. INTEREST PAYABLE AND SIMILAR CHARGES

	2017 £000	2016 £000
Interest payable on 7.5625% Guaranteed Unsecured Loan Stock 2027	5,521	5,521
Amortisation of guarantee fee paid	-	23
	5,521	5,544



## THE NATIONAL EXHIBITION CENTRE (DEVELOPMENTS) PLC

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

#### 9. TAXATION

The corporation and deferred tax charges are £nil (2016: £nil).

#### FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is higher than (2016 - higher than) the standard rate of corporation tax in the UK of 20% (2016 - 20%). The differences are explained below:

	2017 £000	2016 £000
Loss on ordinary activities before tax	(973)	(926)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2016 - 20%)	(195)	(185)
Effects of:		
Unrelieved tax losses carried forward	195	185
Total tax charge for the year	-	-

#### FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

The July 2015 Budget Statement announced changes to the UK Corporation tax regime which will reduce the main rate of corporation tax to 19% from 1 April 2017 and to 18% from 1 April 2020 that have been substantively enacted at the year end date. A further change was announced in the March 2016 budget to further reduce the rate to 17% from 1 April 2020 which has also been substantively enacted at the year end date.

#### DEFERRED TAX ASSET

Deferred tax in relation to corporation tax losses of £5,946,000 (2016: £8,236,000) have not been recognised on the basis of their future recoverability. At the balance sheet date the total unrecognised deferred tax amounts to £1,011,000 (2016: £1,482,000).

**THE NATIONAL EXHIBITION CENTRE (DEVELOPMENTS) PLC**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017**

**10. DEBTORS**

	<b>2017</b>	2016
	<b>£000</b>	£000
<b>Due after more than one year</b>		
Other debtors	<b>81,759</b>	82,678
	<b>2017</b>	2016
	<b>£000</b>	£000
<b>Due within one year</b>		
Amounts owed by group undertakings	<b>59</b>	38
Other debtors	<b>919</b>	919
Prepayments and accrued income	<b>1</b>	1
	<b>979</b>	958

Other debtors comprise principally of the value of a guarantee provided by Birmingham City Council to settle the interest arising and capital due on loan stock issued by the Company as part of the arrangement to transfer the fixed asset interests of the Company to The National Exhibition Centre Limited on 1 May 2015.

The guarantee was initially recognised at fair value, as determined by the market value of the loan stock on the date of the transaction, and is being amortised at its effective interest rate over the remaining period until the loan stock matures.

**THE NATIONAL EXHIBITION CENTRE (DEVELOPMENTS) PLC**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017**

**11. CASH AND CASH EQUIVALENTS**

	<b>2017</b>	2016
	<b>£000</b>	£000
Cash at bank and in hand	<b>101</b>	101

**12. CREDITORS: Amounts falling due within one year**

	<b>2017</b>	2016
	<b>£000</b>	£000
Other loans	<b>240</b>	240
Accruals	<b>60</b>	38
	<b>300</b>	278

Disclosure of the terms and conditions attached to other loans is made in note 14.

**13. CREDITORS: Amounts falling due after more than one year**

	<b>2017</b>	2016
	<b>£000</b>	£000
Other loans	<b>73,368</b>	73,608
Share capital treated as debt	<b>100</b>	100
	<b>73,468</b>	73,708

Disclosure of the terms and conditions attached to the non-equity shares is made in note 16.

Disclosure of the terms and conditions attached to other loans is made in note 14.

# THE NATIONAL EXHIBITION CENTRE (DEVELOPMENTS) PLC

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

### 14. LOANS

An analysis of loans is given below:

	2017 £000	2016 £000
<b>Less than one year</b>		
Zero % Unsecured 'A' Loan Notes	240	240
<b>1 to 2 years</b>		
Zero % Unsecured 'A' Loan Notes	240	240
<b>2 to 5 years</b>		
Zero % Unsecured 'A' Loan Notes	128	368
<b>Greater than 5 years</b>		
7.5625% Guaranteed Unsecured Loan Stock 2027	73,000	73,000
	<u>73,608</u>	<u>73,848</u>

On 21 May 1997, the company issued £73m 7.5625% Guaranteed Unsecured Loan Stock 2027 ('the Loan Stock') at a discount price of £99.689 per £100 Loan Stock.

The Loan Stock is constituted and secured by a Trust Deed dated 21 May 1997. The Loan Stock is listed on the London Stock Exchange and is guaranteed by Birmingham City Council ("BCC").

On 21 May 1997, the company issued 1.2m Unsecured 'A' £1 Loan Notes, zero coupon to each of BCC and Emap Limited. On 26 March 2010 BCC acquired Emap Limited's Loan Notes. The Loan Notes are fully paid and are repayable by the company in instalments commencing on 31 March 2014 with £240,000 repayable on the 31 March 2014.

Early repayments of £832,000 have been made, leaving the total balance outstanding at the year end of £608,000 (2016: £848,000).

### 15. FINANCIAL INSTRUMENTS

	2017 £000	2016 £000
<b>Financial assets</b>		
Cash	101	101
Financial assets that are debt instruments measured at amortised cost	<u>82,737</u>	<u>83,635</u>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	<u>(73,768)</u>	<u>(73,986)</u>

Financial assets measured at amortised cost comprise of other debtors and amounts owed by group undertakings.

Financial liabilities measured at amortised cost comprise of other loans, accruals and share capital treated as debt.

## THE NATIONAL EXHIBITION CENTRE (DEVELOPMENTS) PLC

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

#### 16. SHARE CAPITAL

	2017 £	2016 £
<b>Shares classified as equity</b>		
<b>Allotted, called up and fully paid</b>		
450 Ordinary 'A' shares of £1 each	450	450
125 Ordinary 'B' shares of £1 each	125	125
425 Ordinary 'C' shares of £1 each	425	425
	<u>1,000</u>	<u>1,000</u>
	2017 £	2016 £
<b>Shares classified as debt</b>		
<b>Allotted, called up and fully paid</b>		
100,000 Preference shares of £1 each	100,000	100,000

The 'A', 'B' and 'C' Shares are separate classes of shares and carry the rights to appoint and remove Directors. The 'B' Shares do not carry the right to participate in the profits of the company or the assets of the company available for distribution amongst members but in all other respects the 'B' Shares rank pari passu in all respects as Ordinary Shares. BCC holds all the Ordinary Shares. All shares were issued for cash at par.

The Preference Shares do not carry any rights to receive a dividend or to participate in the profits of the company. On liquidation or return of capital, the assets of the company available for distribution amongst the members shall be applied in priority to any payment to the holders of any other class of shares in repayment of the amount paid up or credited as paid on the Preference Shares. Holders of the Preference Shares do not have the right to attend or vote at any general meeting of the company.

The company has the right at any time to redeem the Preference Shares with not less than one month's notice in writing. The amount redeemed at any time is the amount paid up or credited as paid on the Preference Shares.

#### 17. RESERVES

##### Other reserves

Other reserves consist of the Capital Contribution reserve which represents amounts provided by the parent entity to the Company with no rights or obligations, including repayment, attached. To the extent that they have been satisfied by qualifying consideration, they are considered to be distributable reserves.

##### Profit and loss account

The Profit and loss account represents the cumulative recognised gains and losses of the Company, less any distributions made to shareholders.

## **THE NATIONAL EXHIBITION CENTRE (DEVELOPMENTS) PLC**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017**

#### **18. RELATED PARTY TRANSACTIONS**

BCC is the ultimate parent of the company.

Loan related transactions between the company and the shareholders are detailed elsewhere within the financial statements.

During the year, the company received £293,000 under the guarantee from BCC which has been recognised as a capital contribution.

#### **19. NON-CASH TRANSACTIONS**

During the year, the following significant non-cash transactions occurred:

- Amortisation of guarantee receivable of £4,601,000.
- Settlement of £240,000 of loan notes due to Birmingham City Council.

#### **20. CONTROLLING PARTY**

The Directors regard BCC, a local authority in England and Wales, the immediate and ultimate parent of the company, as its controlling party. A copy of the consolidated financial statements at 31 March 2016 are available from [www.birmingham.gov.uk](http://www.birmingham.gov.uk).