

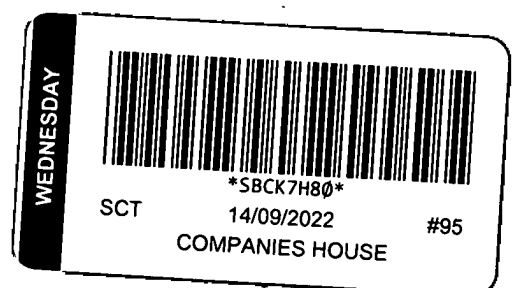
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SCOTTISH EVENT CAMPUS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022



SCOTTISH EVENT CAMPUS LIMITED

COMPANY INFORMATION

Directors	William Whitehorn Peter Duthie William McFadyen Pauline Lafferty Morag McNeill Susan Aitken Francis McAveety John Watson George Gillespie Elaine Galletly
Company Secretary	William McFadyen
Registered Number	SC082081
Registered Office	Scottish Event Campus Glasgow G3 8YW
Trading Address	Scottish Event Campus Glasgow G3 8YW
Independent Auditor	Ernst & Young LLP G1, 5 George Square Glasgow G2 1DY

SCOTTISH EVENT CAMPUS LIMITED

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**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2022**

Introduction

The Directors present their strategic report for the year ended 31 March 2022. The report is presented as follows:

1. Business Review
2. Financial Review
3. Principal Risks & Uncertainties

1. Business Review

On the 28th August 2021, we hosted our first event since 20th March 2020 when Daniel Sloss performed in the SEC Armadillo. After a period of just over 17 months we returned to events. Despite the return, further restrictions were imposed in December 2021 due to the Omicron variant and we reopened in February 2022. The COVID-19 pandemic had a major effect on our results for the year to 31st March 2022. We have been proud to play our part in the national response to the crisis by supporting the NHS Louisa Jordan. When the campus closed on 20 March 2020 due to the pandemic, our key aims were the safety and wellbeing of our team members and ensuring that the SEC emerged from the pandemic with the ability to service and host the multitude of events we facilitate across our campus each year.

During the closure period, we rescheduled a large number of events into the latter half of 2021 and future years. The return to events witnessed a very busy period on the campus including the hosting of The United Nations Climate Change Conference (COP26) in November 2021.

COP26, the world's most important conference on climate change took place at the SEC in November 2021. The Campus took centre stage as the proud host venue for COP26, welcoming 38,000 attendees, and 120 world-leaders for 13 days of negotiations across 2,440 meetings. COP26 was the largest in-person meeting to take place anywhere in the world since the pandemic and the iconic venues of the SEC were front and centre of the world's media.

Having re-scheduled the conference from November 2020, the venue team rose to the challenge of supporting the delivery of the largest conference ever to be staged in the UK. The work of the team was recognised at the highest level of Government.

COP26 has been instrumental in securing the financial success of the business and has amplified the reputation of the SEC as a world-leading venue for conferences and live events of scale, complexity and global significance.

The return to events increased turnover for the year and a return to profit with pre-tax profit of £1.5m for the year, compared to a loss of just over £1.0m for the prior year. The profit was driven by the hosting of COP26, the return to events, the careful reduction in non-essential spend, and importantly, a successful claim on our Business Interruption insurance policy. The provision of services to the NHS Louisa Jordan were also helpful in providing a degree of cost recovery and control, as were the use of the Job Retention Scheme and the local authority rates exemption. Other emergency funding made available to the event sector by the Scottish Government was not utilised by the SEC.

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

During the pandemic, SEC retained its workforce with no compulsory redundancies. We offered a voluntary scheme in September 2021 which 22 team members chose to accept to pursue other career opportunities. The cost of the scheme is reflected in the results. With a challenging job market, the retention of our core teams enabled us to deliver COP26 which had a dedicated team working throughout the pandemic on event preparation. The staff retention leaves us well placed for current and future event delivery.

Despite the difficult circumstances, the business remains strong with the cash position and forward business levels healthy. Appropriate financial modelling has been undertaken to support the assessment of the business as a going concern. A comprehensive staff reboarding programme was created as well as enhanced Health and Safety protocols to deal with COVID-19 requirements.

During 2021, the Events Industry Advisory Group was established by the Scottish Government to provide a coordinated voice during the national response and recovery planning. The group was chaired by our Chief Executive, Peter Duthie. Regular meetings ensure an industry wide response and government engagement to assist the sector recovery and reopening from the pandemic. Several other team members are involved in leading the event industry's response to the pandemic in each of the sectors in which we operate at a Scottish and UK level.

The SEC campus was returned on 31st July 2021 after hosting the NHS Louisa Jordan temporary medical facility since March 2020. This allowed us to continue our preparation for rescheduled and other contracted events including COP26.

The medical facility was completed in a matter of weeks and involved collaboration among the Scottish Government, NHS Scotland, SEC and contractors. Since the opening of the facility in April 2020, our team members have played a crucial role in providing services to the NHS Louisa Jordan. Their many years of experience on the campus have been invaluable in ensuring the smooth operation of the facility. Thankfully, the facility was not used for the treatment of COVID-19 patients and was repurposed for other uses. Over 32,000 urgent outpatient and diagnostic appointments, a clinical skills educational hub (used by 6,900 individuals) and over 175,000 vaccinations were delivered.

There was a net cash inflow from operating activities of £12.6m (2021 outflow £0.9m) for the year. The inflow was due to the return to events and future live entertainment ticket sales.

Notwithstanding current challenges, the overall vision for the business – 'To be the best event campus in Europe' – adopted with the mission statement – 'Best Venues, Best People, Best Events' – continues to drive our business. The pandemic has served to reinforce the importance of our focus on our people which is reflected in our core values – Teamwork, Respect, Positive, Friendly, Fun and Healthy.

The ambitious plan to upgrade and expand the campus, principally to facilitate further growth in the Conference and Exhibition sectors, is being pursued with Planning Permission in Principle granted. The plans are supported by a robust business case and an economic impact study. The challenge is to secure public sector grant funding support for the project to proceed which would be of significant benefit to the Glasgow, Scottish and UK economies.

Works will commence on a refurbishment of the station walkway, a Glasgow City Deal project, during the financial year to March 2023.

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

Prior to COP26, two new independent hotels opened on the campus. The new hotels increased the number of hotel bedrooms in the vicinity of the campus from 950 to almost 1,400. This will be an invaluable addition and will support our growing Conference and Exhibition sectors as well as our Live Entertainment offering.

The wider development plans fit with the strategic objectives of Glasgow City Council, as major shareholder, to ensure additional economic benefit across the city in terms of spend on hotels, restaurants, retail, and the related employment created. The campus will continue to generate economic benefits for Glasgow, Scotland and the rest of the UK.

Employees

Throughout the COVID19 pandemic, our top priority was the health and safety of our team members and their families.

We continued to manage three separate workforces: core workers "on campus", core workers "at home" and those on furlough, communicating with them regularly through care calls and our Coronavirus Guidance emails.

In October 2021, we were delighted to return all of Team SEC, whether that be at home or on campus and they were taken through our reboarding experience, to ensure a consistent approach, as we prepared for our industry restart. This provided an opportunity to have a unique focus on all team members, encompassing our newest value #HEALTHY.

We launched the SEC Mental Health Strategy, which aligned with our People Strategy objectives. As we returned to the office and adjusted to 'living with COVID19', we have revisited our strategy to ensure it is achieving the key objectives set and delivering positive change in line with our values. This strategy includes the newly formed Mental Health First Aid Team, who have been fully trained to support the workforce.

To further support the return to the office, a review of our flexible working provision was completed, and we launched a new initiative called 'Best Balance'. This was launched in March 2022 and introduced a further 6 new options to support flexible working, as we adapt to the new normal.

Our team has continued to demonstrate it's dedication, commitment and adaptability throughout the pandemic, and we have returned ready to embrace our mission: Best Venues, Best People, Best Events.

Community Engagement

SEC continues to partner with the Beatson Cancer Charity and Nordoff Robbins Scotland.

The Glasgow Children's Hospital Charity made the tough decision to keep their Christmas Grotto virtual once again this year. Our SEC team members built the grotto in October 2021, pre COP26, to allow the charity to begin their 'Santa at Home' magical filming experience for the children. All money raised from this initiative helps to support the children and their families in hospital at Christmas.

Our Learning Journey is our way of supporting Scotland's young people and creating tailor made experiences to make an impact on their career choices.

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

As part of our involvement on the Glasgow Chamber Employer Board, we have supported various Developing the Young Workforce (DYW) initiatives, including the Young Person's Guarantee and Climate Heroes.

In 2021, Glasgow Chamber of Commerce launched a programme exclusively for Glasgow's young people and businesses - Step Up Glasgow. We recently employed three young people via the Step Up programme. Two positions are still active until June 2022 with an IT Representative and People Representative. Our Health and Safety Representative has accepted a permanent role as an Apprentice within the team. He will now embark on a fully funded and supported training programme to complete his apprenticeship with us. DYW and Glasgow City Council have shared that this is the first Health & Safety Apprenticeship they have seen through their programme.

Health, Safety & Security

Health & Safety is SEC's number one priority and we strive to make SEC a healthy and safe place to be. We remain committed to driving standards at the SEC and across the industry, always providing a safe and healthy environment for all staff, customers and clients.

A comprehensive staff reboarding programme was created as well as enhanced Health and Safety protocols to deal with COVID-19 requirements and ensure our team members, the wider workforce, visitors and members of the public were protected as we returned to events.

Our Best Health and Safety Group has representatives from across the business, and the Health and Safety Charter ensures health and safety is considered in everything we do.

In our weekly Coronavirus Guidance communication to all team members, there was an update on any relevant Health and Safety changes and information on the various welfare and support services available. This included People Team care calls, where to find Mental Health First Aiders, details for our Employee Assistance Programme and useful Scottish Government links.

To support health and wellbeing, this year we continued with virtual team activations and successfully completed 29 activations, including spring step challenge, pumpkin challenge and Director blogs.

Sustainability

In preparation for COP26, the SEC worked intensively on a longer-term sustainability strategy for the business. This led to the important commitment to becoming net zero by 2030 and is focused on five key goals: Climate, People, Partnerships, Resource and Governance.

This ambitious target leads the way for the event industry and is contingent upon delivering a sophisticated net zero energy strategy for the Campus. The aim is to generate and store renewable power onsite in support of Scotland's Climate Change Bill and directive to become a net zero society by 2045. The concept for the zero-carbon campus is progressing and a more in-depth feasibility study will follow.

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

The OVO Hydro is the first arena in the world to achieve 'A Greener Arena Certification', supporting the SEC's commitment to become a net zero business by 2030. The award supports Glasgow and Scotland's commitment to sustainability.

The SEC team has also taken measures to become more energy efficient, using electricity only from renewable sources, and through a strong partnership with Glasgow City Council, ensures the SEC sends zero waste to landfill, using the new state of the art Glasgow Recycling and Renewable Energy Centre for efficient waste reduction, re-use, enhanced recycling rates, and recovering renewable energy from residual waste.

With the support of Levy UK, OVO Energy, Heineken and AG Barr, a reusable cup, 'Stack Cup', has been introduced for all live events. Stack Cup will save the campus 2m disposable plastic cups per year and will reduce our carbon footprint by 1,500 tonnes in the next decade.

In July 2021, the venue launched its sustainable food strategy in partnership with Levy UK, committing to a minimum of 80% of produce being sourced in Scotland.

The SEC supply chain is considered for environmental impact and all contractors that operate at the SEC are encouraged to adopt more environmentally friendly policies.

The SEC has retained its Gold Award in line with the Green Tourism Business Scheme (GTBS), which was originally awarded in 2009.

Healthy Venue

In September 2021, the SEC became the only UK venue to be awarded Healthy Venue Gold status. This follows the venue being the first venue in the world to be accredited as a 'healthy venue' by the World Obesity Federation's in 2016. The scheme sees the venue provide visitors and staff with healthier options across catering and exercise and to achieve gold status, even tougher goals had to be achieved.

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

2. Financial Review

The profit for the year, after taxation, amounted to £496,800 (2021 – loss £1,099,930).

The retention and rescheduling of events across our trading sectors as well as the retention of the majority of our partnership agreements, means we are well placed to return our sectors to pre-pandemic business levels.

In the Live Entertainment sector, many of our contracted events scheduled for 2020 and 2021 rescheduled to later in 2021 or into 2022. Since reopening, we have hosted numerous events in the OVO Hydro. The venue is well placed to take advantage of the increased capacity of 14,300 which was implemented in 2019 and was tested through the period before the venue closed.

The OVO Hydro not only provides a purpose-built venue to host Live Entertainment events, but also provides an income opportunity from commercial activities including sponsorship and hospitality. The strong relationship we have built with our commercial partners has seen the vast majority of sponsorship agreements retained, recommencing when the venue reopened. As well as retaining existing partnerships, during 2021 we added new partnerships with Most Wanted as our wine supplier, Kingdom of Sweets for confectionery and Fountain as our hard seltzer partner.

In March 2020, we completed the Super Suite to add to our Executive Suite and Balcony hospitality offerings, all of which are currently sold out. With the return to events, we reactivated our suspended Hydro Club hospitality memberships. Our renewal and membership retention rates have been strong.

In QD Events, our events management subsidiary, the restrictions reinstated due to the Omicron variant in December 2021, curtailed our annual indoor In-Bru Carnival to 3 days of operation, a reduction of twenty-two days. Global supply issues affecting show display stock, meant we cancelled both The Scottish Caravan, Motorhome and Holiday Home Show and our launch caravan and outdoor show Go Explore at Farnborough. Both of these events will return in 2023 with strong interest shown. Positively the Scottish Wedding Show hosted in February 2022 attracted record visitor numbers with positive client and visitor feedback.

Our Exhibition sector enjoyed a strong second half of the year with many regular events returning albeit with most shows of a slightly reduced scale.

Whilst our Conference sector was quieter, this was related to the rescheduling of numerous events to future years. Current enquiries are strong, and the corporate meetings sector is returning after almost two years with several events recently secured for 2022.

Interest payable during the year was £0.3m (2021 £0.4m) as a result of the reduction in the use of the bank facility. Interest receivable was similar to the previous year at £0.1m. There was a net cash inflow from operating activities of £12.6m (2021 £0.9m outflow) with the return to events and strong ticket sales for future live entertainment events. The level of cash held on behalf of promoters is driven by the level of ticket sales for future events.

The Group has a revolving credit facility of £25m with the Clydesdale Bank which is used to support cash flows from operations if required. Given our strong cash position, the facility was undrawn at the year-end (2021 £10m drawn). Overall cash balances, excluding any draw down, increased by £2.0m in the year.

GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

3. Principal Risks & Uncertainties

SEC operates a risk register for the key business risks. The risk register is reviewed by the SEC Audit and Risk Committee and the SEC Board on a regular basis. The principal risks and uncertainties facing the Group are broadly grouped as competitive, security, health & safety, technological and cash flow. In recent times the Board and Audit and Risk Committee have considered risks associated with the supply chain and COVID-19.

Supply Chain

As noted, the retention of staff has left us in a strong position to deliver events. Our supply chain has managed to deliver all events. Building an experienced contractor labour base post pandemic will take some time however all events to date have been successfully delivered. Similar to many other businesses, we have witnessed the effects of inflation. With our biggest supply chain item being labour, we have engaged with our contractors to ensure we remain an attractive and competitive place to work. In term of other cost pressures, we will carefully consider our rental pricing to mitigate any increases. We have considered the risk of increased energy costs and factored this into any rental pricing.

COVID-19 Risk

The COVID-19 pandemic became a worldwide crisis and at the date of this report the SEC had returned to normal operation. During the pandemic, management rescheduled a large number of events to the following financial years. We also reduced our operating costs based on closed venues and ceased any non-essential spend. Should there be any return to restrictions on events taking place, the measures can be reintroduced quickly to preserve cash.

Whilst it is unlikely, should any restrictions be introduced, we have stress tested our cash position on a rolling basis from the introduction of restrictions and a reduced cost base. Depending on when any restrictions were imposed, our cash reserves ensure adequate cash liquidity of the business for 14-18 months without utilising our bank facility. The position is included in the note below in the assessment of going concern. The cash position and forward outlooks ensure that the group will be able to comply with the bank facility covenants.

The Directors believe the outlook of the Group remains positive due to the level of secured future business, cash reserves, available funding and the flexible nature of the campus to adapt to delivering events safely post pandemic. A large number of events have rescheduled to future years and forward demand is strong across the sectors.

Competitive Risks

The principal risk to the Group is competition in the Conference and Exhibition sectors. The competitive landscape continues to evolve with the further development of new facilities and the upgrading of existing facilities in the UK and throughout Europe. It is vital that the SEC continues to modernise and expand its facilities sustainably to remain competitive in the Conference and Exhibition sectors. The pandemic has seen an increase in interest for future conferences to have a virtual element as well as traditional attendance. We have upgraded our technology to host the virtual element of conferences. The OVO Hydro has placed the SEC in a strong position in the Live Entertainment and Box Office sectors.

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

Security Risks

The safety and wellbeing of our team, partners, clients and the public attending events on our campus is paramount. We frequently review security arrangements at our venues in consultation with Police Scotland, industry representatives and specialist consultants and will continue to update procedures accordingly. The public consultation on Making the Public Safe at Publicly Accessible Locations is underway and SEC has made appropriate representations in this important area for future event security considerations.

Health & Safety Risk

SEC is committed to providing a safe and healthy environment for all staff, customers and clients. A Health & Safety Committee is in place which includes Board representation to drive forward our Health & Safety Charter. Appointments of key staff and the development of comprehensive staff training plans have been implemented. Reporting of key Health & Safety information is provided to management monthly and is reviewed by the SEC Board.

Technology & Cyber Risks

Our current technology infrastructure has maintained a high number of team members working from home and our technology advances over the last 4 years, such as the implementation of an employee APP, digital noticeboards and virtual meeting capability has allowed us to seamlessly maintain our workforces throughout the pandemic.

To support a return to business, a full review was carried out and a bespoke team was created for a business event technology review. This resulted in investment to ensure that hybrid facilities could be provided on our campus to support the needs of our clients. This will continue to evolve and has the full support of the Board, as we begin to understand the virtual requirements of the future.

Furthermore, our IT infrastructure was enhanced by investment to ensure the optimum delivery of our connectivity and services throughout COP26, with particular focus on Cyber Security. Our enhancements included software and hardware implementation, full team training, dedicated awareness month, all of which has provided us a legacy of annual activations, to enable us to keep Cyber at the forefront of all our team members minds.

Cash Flow Risks

SEC aims to mitigate liquidity risk by managing cash generation by its operations through strict cash collection targets and advance payment requirements on contracted events. Restrictions on non-essential spend were in place until the return of events during 2021. A revolving credit bank facility is in place which is used as required to support cash flows from operations.

There are also industry accepted agreements regarding advance ticket sales on box office operations for events which take place at the SEC and other venues.

SEC operates a strong approach to treasury management to ensure that there is a balance between interest deposit yield and cash access for operational liquidity.

SCOTTISH EVENT CAMPUS LIMITED

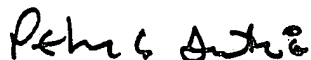
**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

Robust cash flow forecasting exists to ensure that anticipated cash demands, particularly in relation to development and capital programmes, are known and planned, to ensure that outgoings are balanced by anticipated trading receipts.

The SEC's principal financial instrument is cash in hand and on deposit. The Group has various other financial assets such as trade debtors and creditors that arise directly from its trading operations.

The Group offers forward foreign currency contracts to our international conference clients to reduce exposure to the variability of foreign exchange rates by fixing the rate of any material payments in a foreign currency.

This report was approved by the SEC Board and signed on its behalf.



Peter Duthie

Director

Date: 29/06/22

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2022**

The Directors present their report and the financial statements for the year ended 31 March 2022.

Going Concern

The Group's business activities, a review of the business and a description of the principal risks and uncertainties, together with the Group's financial risk management processes and narrative regarding its exposure to key financial risks are outlined in the Strategic Report.

The financial statements have been prepared on a going concern basis. The impact of COVID-19 is reflected in the results to March 2022.

During the pandemic, management rescheduled a large number of events to the following financial years. Operating costs were based on closed venues and any non-essential spend ceased. Should there be any return to restrictions on events taking place, the measures can be reintroduced quickly to preserve cash.

Whilst it is unlikely, should any restrictions be introduced, we have stress tested our cash position on a rolling basis from the introduction of restrictions and a reduced cost base. Depending on when any restrictions were imposed, our cash reserves ensure adequate cash liquidity of the business for 14-18 months without utilising our bank facility. The position is included in the note below in the assessment of going concern. The cash position and forward outlook ensures that the group will be able to comply with the bank facility covenants.

In assessing the going concern position of the Group to March 2024, the Directors have considered the Group's cash flows, liquidity and business activities. In making the assessment, the Directors have considered worst-case modelling with a period of no events considered on a rolling basis throughout the period of assessment. This assessment demonstrates that no further external financing is required.

The Directors have considered the measures that are available to the Group to further mitigate expenditure and the impact on its cash flow and liquidity should they be required.

The current revolving credit bank facility is secured until March 2024. The bank facility is currently undrawn with the full £25m facility being available for use. Whilst we expect to meet our bank covenant requirements through to March 2024, any period of closure would result in the interest cover covenant being replaced with a net cash covenant which given our strong cash position, means the covenant will be met. Our cash modelling excluding the use of the bank facility, shows there is a continuing positive cash position and sufficient cash resources to continue on a reduced cost base until events return.

Whilst the analysis has been prepared on a Group basis, given the majority of the Group's activities are conducted through the Company, the Directors consider the same analysis applies to the Company. Having assessed the combination of the various options and mitigations available, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence to March 2024. For these reasons, they continue to adopt a going concern basis for preparation of the financial statements. Further consideration is included in note 1.3 of the financial statements.

SCOTTISH EVENT CAMPUS LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

Results and Dividends

The profit for the year, after taxation, amounted to £496,800 (2021 – loss £1,099,930).

A business and development review and detailed financial review are presented in the Group strategic report. The cash generated from trading is used to support the ongoing operating costs of the business during the pandemic until there is a return to events. The Directors are unable to recommend the payment of a dividend (2021 – £NIL).

Principal Activity

The principal activities are the management and promotion of the SEC in the national and international market for exhibitions, conferences, corporate, live entertainment and other special and sporting events.

The principal function is renting space at the SEC to stage exhibitions, conferences, concerts and other events. The venue business is supported by a successful exhibition organising company and a box office operation which provides a full ticketing service for events staged at the SEC and other venues.

Hall rental charges vary by market sector, as is normal across the industry. The objective is to maximise revenue through an optimising mix of business in the SEC Centre, SEC Armadillo and the OVO Hydro.

Most exhibition and conference centres throughout Europe are publicly owned. They are built and operated to generate wider economic benefits for the core geographic area of operation.

The prime remit of the SEC is to operate on an arm's length commercial basis whilst still generating the wider economic benefits highlighted above. The Group has been highly successful in balancing these objectives over many years. Within this context, the SEC recognises the main aspirations of its principal shareholder, Glasgow City Council, to maximise the economic benefits the business brings to the Greater Glasgow area.

Directors

The Directors who served during the year were:

William Whitehorn
Peter Duthie
Carole Forrest (resigned 1 April 2021)
William McFadyen
Pauline Lafferty
Morag McNeill
Susan Aitken
Francis McAveety
John Watson
George Gillespie
Elaine Galletly (appointed 1 April 2021)

SCOTTISH EVENT CAMPUS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

Qualifying Third Party Indemnity Provisions

SEC has granted indemnity to its Directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in section 234 in the Companies Act 2006. Such qualifying third-party indemnity provision remains in force at the date of approving the Directors' Report.

Disclosure of Information to Auditors

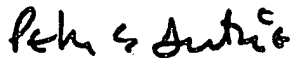
Each of the persons who are Directors at the time when this Directors' report is approved has confirmed that:

- so far as the Director is aware, there is no relevant audit information of which the Company and the Group's auditors are unaware, and
- the 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 and the Group's auditors are aware of that information.

Auditors

The auditors, Ernst & Young LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the SEC Board and signed on its behalf.



Peter Duthie

Director

Date: 29/06/22

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 MARCH 2022**

The Directors are responsible for preparing the Group strategic report, the Directors' report and the consolidated 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 they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies for the Group's financial statements 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 Group 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 the Group 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SCOTTISH EVENT CAMPUS LIMITED

Opinion

We have audited the financial statements of Scottish Event Campus Limited ('the parent company') and its subsidiaries (the 'group') for the year ended 31 March 2022 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company Statement of Financial Position, the Consolidated and Company Statement of Changes in Equity, the Consolidated Statement of Cash Flows and the related notes 1 to 31, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the group's and of the parent company's affairs as at 31 March 2022 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group and parent company's ability to continue as a going concern for a period from when the financial statements are authorised for issue up until 31 March 2024.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group's ability to continue as a going concern.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SCOTTISH EVENT CAMPUS LIMITED
(CONTINUED)**

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions 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 Group Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report.

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

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

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SCOTTISH EVENT CAMPUS LIMITED
(CONTINUED)**

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 13, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are FRS 102, the Companies Act 2006 and the relevant tax compliance regulations in the UK.
- We understood how Scottish Event Campus Limited is complying with those frameworks by making enquiries of management. We corroborated our enquiries through our review of Board minutes and papers, and attendance at Audit Committee meetings and we noted that there was no contradictory evidence.
- We assessed the susceptibility of the group and parent company's financial statements to material misstatement, including how fraud might occur by meeting with management, and members of the finance team, to understand where it considered there was susceptibility to fraud. We also considered performance targets and their propensity to influence efforts made by management to manage revenue. We considered the procedures and controls that are established to address the risks identified, or that otherwise prevent, deter and detect fraud; and how senior management monitor those procedures and controls.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SCOTTISH EVENT CAMPUS LIMITED
(CONTINUED)**

- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures included those on revenue recognition, including furlough income received in the year, and the testing of journal entries, and were designed to provide reasonable assurance that the financial statements were free from material fraud or error. We have used data analytics to highlight potentially anomalous transactions in areas which we determined to have an elevated fraud risk. We have reviewed financial statements disclosures and performed sample testing of specific transactions to supporting documentation to access compliance with applicable laws and regulations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>.

This description forms part of our auditor's report.

Use of our report

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.

Ernst & Young LLP

Stephen Reid (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Edinburgh
Date: 30 June 2022

SCOTTISH EVENT CAMPUS LIMITED

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2022**

	Note	2022 £	2021 £
TURNOVER	4	26,904,198	19,825,618
OPERATING COSTS		(25,226,610)	(20,522,511)
OPERATING PROFIT/ (LOSS)	5	1,677,588	(696,893)
Interest receivable and similar income	8	98,098	44,886
Interest payable	9	(279,935)	(409,571)
PROFIT/ (LOSS) BEFORE TAXATION		1,495,751	(1,061,578)
Tax on profit on ordinary activities	10	(998,951)	(38,352)
PROFIT/ (LOSS) FOR THE FINANCIAL YEAR		<u>496,800</u>	<u>(1,099,930)</u>
OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		-	-
TOTAL COMPREHENSIVE INCOME/ (LOSS) FOR THE FINANCIAL YEAR		<u>496,800</u>	<u>(1,099,930)</u>
PROFIT/ (LOSS) ATTRIBUTABLE TO			
Owners of the parent company		496,800	(1,099,930)
		<u>496,800</u>	<u>(1,099,930)</u>
TOTAL COMPREHENSIVE INCOME / (LOSS) ATTRIBUTABLE TO			
Owners of the parent company		496,800	(1,099,930)
		<u>496,800</u>	<u>(1,099,930)</u>

SCOTTISH EVENT CAMPUS LIMITED
REGISTERED NUMBER: SC082081

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	12	92,726,261	95,408,485
Current assets			
Debtors: amounts falling due within one year	13	4,986,637	9,059,267
Financial asset	25	-	360,531
Bank and cash balances	25	47,233,984	34,972,447
Short term bank deposits	25	-	43,815
		<u>52,220,621</u>	<u>44,436,060</u>
Creditors: amounts falling due within one year	14	<u>(51,373,813)</u>	<u>(33,769,705)</u>
Net current assets		<u>846,808</u>	<u>10,666,355</u>
Total assets less current liabilities		<u>93,573,069</u>	<u>106,074,840</u>
Creditors: amounts falling due after more than one year	15	<u>(42,049,025)</u>	<u>(55,267,039)</u>
Provisions for liabilities			
Deferred taxation	19	<u>(3,419,521)</u>	<u>(2,420,571)</u>
Accruals and deferred grants			
Deferred government grants	20	<u>(31,671,224)</u>	<u>(32,450,733)</u>
		<u>(35,090,745)</u>	<u>(34,871,304)</u>
Net assets		<u>16,433,299</u>	<u>15,936,498</u>
Capital and reserves			
Called up share capital	21	21,900,000	21,900,000
Capital redemption reserve	22	2,750,000	2,750,000
Profit and loss account	22	<u>(8,216,701)</u>	<u>(8,713,502)</u>
Equity attributable to owners of the parent Company		<u>16,433,299</u>	<u>15,936,498</u>
		<u>16,433,299</u>	<u>15,936,498</u>

The financial statements were approved and authorised for issue by the SEC Board and were signed on its behalf by:



Peter Duthie

Chief Executive Officer

Date: 29/06/22

The notes on pages 24 to 45 form part of these financial statements.

SCOTTISH EVENT CAMPUS LIMITED
REGISTERED NUMBER: SC082081

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	12	92,494,235	95,126,833
Investments	29	800,102	800,102
		<u>93,294,337</u>	<u>95,926,935</u>
Current assets			
Debtors: amounts falling due within one year	13	4,328,833	8,204,471
Financial asset		-	360,531
Bank and cash balances		47,087,268	34,865,880
Short term bank deposits		-	43,815
		<u>51,416,101</u>	<u>43,474,697</u>
Creditors: amounts falling due within one year	14	(49,302,944)	(32,389,879)
Net current assets/(liabilities)		<u>2,113,157</u>	<u>11,084,818</u>
		<u>95,407,494</u>	<u>107,011,753</u>
Total assets less current liabilities			
Creditors: amounts falling due after more than one year	15	(41,682,590)	(54,885,965)
Provisions for liabilities			
Deferred taxation	19	(3,411,848)	(2,409,298)
Accruals and deferred grants			
Deferred government grants	20	(31,671,224)	(32,450,733)
		<u>(35,083,072)</u>	<u>(34,860,031)</u>
Net assets		<u>18,641,832</u>	<u>17,265,757</u>
Capital and reserves			
Called up share capital	21	21,900,000	21,900,000
Capital redemption reserve	22	2,750,000	2,750,000
Profit and loss account	22	(6,008,168)	(7,384,243)
		<u>18,641,832</u>	<u>17,265,757</u>

The financial statements were approved and authorised for issue by the SEC Board and were signed on its behalf by:



Peter Duthie
Chief Executive Officer

Date: 29/06/22

The notes on pages 24 to 45 form part of these financial statements.

SCOTTISH EVENT CAMPUS LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2022**

	Called up share capital	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 April 2021	<u>21,900,000</u>	<u>2,750,000</u>	<u>(8,713,502)</u>	<u>15,936,498</u>
Comprehensive income for the year				
Profit for the year	-	-	496,800	496,800
Other comprehensive income for the year	-	-	-	-
Total comprehensive loss for the year	-	-	496,800	496,800
Total transactions with owners	-	-	-	-
At 31 March 2022	<u>21,900,000</u>	<u>2,750,000</u>	<u>(8,216,702)</u>	<u>(16,433,298)</u>

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2021**

	Called up share capital	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 April 2020	<u>21,900,000</u>	<u>2,750,000</u>	<u>(7,613,572)</u>	<u>17,036,428</u>
Comprehensive income for the year				
Profit for the year	-	-	(1,099,930)	(1,099,930)
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	(1,099,930)	(1,099,930)
Total transactions with owners	-	-	-	-
At 31 March 2021	<u>21,900,000</u>	<u>2,750,000</u>	<u>(8,713,502)</u>	<u>15,936,498</u>

The notes on pages 24 to 45 form part of these financial statements.

SCOTTISH EVENT CAMPUS LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2022**

	Called up share capital	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 April 2021	<u>21,900,000</u>	<u>2,750,000</u>	<u>(7,384,243)</u>	<u>17,265,757</u>
Comprehensive income for the year				
Profit for the year	-	-	1,376,075	1,376,075
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	1,376,075	1,376,075
Total transactions with owners	-	-	-	-
At 31 March 2022	<u>21,900,000</u>	<u>2,750,000</u>	<u>(6,008,168)</u>	<u>18,641,832</u>

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2021**

	Called up share capital	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 April 2020	<u>21,900,000</u>	<u>2,750,000</u>	<u>(7,549,125)</u>	<u>17,100,875</u>
Comprehensive income for the year				
Profit for the year	-	-	164,882	164,882
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	164,882	164,882
Total transactions with owners	-	-	-	-
At 31 March 2021	<u>21,900,000</u>	<u>2,750,000</u>	<u>(7,384,243)</u>	<u>17,265,757</u>

The notes on pages 24 to 45 form part of these financial statements.

SCOTTISH EVENT CAMPUS LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2022**

	Note	2022 £	2021 £
Net cash inflow/ (outflow) from operating activities	23	12,616,427	(878,829)
Net cashflow from investing activities	24	(181,837)	(364,685)
Net cash flow from financing activities	24	(577,400)	(733,006)
CASH INFLOW/ (OUTFLOW) BEFORE FINANCING		11,857,191	(1,967,519)
INCREASE/ (DECREASE) IN CASH IN THE YEAR		11,857,191	(1,967,519)
RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT			
		2022 £	2021 £
Increase/ (Decrease) in cash in the year		11,857,191	(1,967,519)
CHANGE IN NET DEBT RESULTING FROM CASH FLOWS		11,857,191	(1,976,519)
MOVEMENT IN NET DEBT IN THE YEAR			
Net funds at 1 April 2021		35,376,793	37,353,312
Movement in net debt resulting from cash flows		11,857,191	(1,976,519)
NET FUNDS AT 31 MARCH 2022		47,233,984	35,376,793

The notes on pages 24 to 45 form part of these financial statements.

SCOTTISH EVENT CAMPUS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

1. Accounting policies

1.1 Basis of preparation of financial statements

The "Scottish Event Campus Limited" is a limited liability company incorporated in Scotland whose registered office is at Scottish Event Campus, Glasgow, G3 8YW.

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 UK and the Republic of Ireland and the Companies Act 2006.

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 Group's accounting policies (see note 2).

The financial statements have been prepared in sterling which is the functional currency of the Group and reported to the nearest £.

1.2 Basis of consolidation

The consolidated financial statements present the results of the Scottish Event Campus Limited and its subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between Group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

No statement of comprehensive income is presented for the Scottish Event Campus Limited as permitted by section 408 of the Companies Act 2006.

1.3 Going concern

The Group's business activities, a review of the business and a description of the principal risks and uncertainties, together with the Group's financial risk management processes and narrative regarding its exposure to key financial risks are outlined in the Strategic Report.

The financial statements have been prepared on a going concern basis. The impact of COVID-19 is reflected in the results to March 2022. During the pandemic, management rescheduled a large number of events to the following financial years.

Operating costs were also reduced based on closed venues and any non-essential spend ceased. Should there be any return to restrictions on events taking place, the measures can be reintroduced quickly to preserve cash.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

1.3 Going concern (continued)

Whilst it is unlikely, should any restrictions be introduced, we have stress tested our cash position on a rolling basis from the introduction of restrictions and a reduced cost base. Depending on when any restrictions were imposed, our cash reserves ensure adequate cash liquidity of the business for 14-18 months without utilising our bank facility. The cash position and forward outlook ensures that the group will be able to comply with the bank facility covenants.

In assessing the going concern position of the Group to March 2024, the Directors have considered the Group's cash flows, liquidity and business activities. In making the assessment, the Directors have considered worst-case modelling with a period of no events considered on a rolling basis throughout the period of assessment. This assessment demonstrates that no further external financing is required with the lowest free cash balance of £ 13.3m in July 2022.

The Directors have considered the measures that are available to the Group to further mitigate expenditure and the impact on its cash flow and liquidity should they be required.

The current revolving credit bank facility is secured until March 2024. The bank facility is currently undrawn with the full £25m facility being available for use. Whilst we expect to meet our bank covenant requirements through to March 2024, any period of closure would result in the interest cover covenant being replaced with a net cash covenant which given our strong cash position, we will meet the covenant test. Our cash modelling excluding the use of the bank facility, shows there is a continuing positive cash position and sufficient cash resources to continue on a reduced cost base until events return.

Whilst the analysis has been prepared on a Group basis, given the majority of the Group's activities are conducted through the Company, the Directors consider the same analysis applies to the Company. Having assessed the combination of the various options and mitigations available, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence to March 2024. For these reasons, they continue to adopt a going concern basis for preparation of the financial statements.

1.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

1.4 Revenue (continued)

- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

The Group recognises the revenue for space letting, ticketing, service and exhibition organising at the time the event takes place.

1.5 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Assets in the course of construction are stated at cost. These assets are not depreciated until they are available for use.

Subsequent costs, including major inspections, are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that economic benefits associated with the item will flow to the Group and the cost can be measured reliably. Repairs, maintenance and minor inspection costs are expensed as incurred.

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Land, Buildings and Fixed Plant	- primarily over 50 years
Plant and equipment	- over 3 to 50 years
Motor vehicles	- over 4 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the consolidated statement of comprehensive income.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

1.6 Valuation of investments

Investments in unlisted Group shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the consolidated statement of comprehensive income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

1.7 Financial instruments

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The Group does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

1.8 Government grants

Grants are accounted under the accruals model as permitted by FRS 102.

Grants relating to expenditure on tangible fixed assets are credited to the consolidated statement of comprehensive income at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the consolidated statement of comprehensive income in the same period as the related expenditure.

Job Retention Scheme grant income relating to furloughed employees has been recognised in the period to which the underlying furloughed staff costs relate to.

1.9 Leased assets: the Group as lessee

Assets obtained under hire purchase contract and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives.

Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the Group. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the consolidated statement of comprehensive income so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

1.10 Sale and leaseback

Where a sale and leaseback transaction results in a finance lease, no gain is immediately recognised for any excess of sales proceeds over the carrying amount of the asset. Instead, the proceeds are presented as a liability and subsequently measured at amortised cost using the effective interest method.

When a sale and leaseback transaction results in an operating lease, and it is clear that the transition is established at fair value any profit or loss is recognised immediately. If the sale price is below fair value, any profit or loss is recognised immediately unless the loss is compensated for by the future lease payments at below market price.

In that case any such loss is amortised in proportion to the lease payments over the period for which the asset is expected to be used. If the sale price is above fair value, the excess over fair value is amortised over the period for which the asset is expected to be used.

1.11 Pensions

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in the consolidated statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the statement of financial position.

The assets of the plan are held separately from the Group in independently administered funds.

1.12 Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the statement of financial position date and carried forward to future periods.

This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the statement of financial position date.

1.13 Interest income

Interest income is recognised in the consolidated statement of comprehensive income using the effective interest method.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

1.14 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the consolidated statement of comprehensive income in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the statement of financial position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the statement of financial position.

1.15 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the consolidated statement of comprehensive income, except that a charge 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 reporting date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

1.16 Related parties

The Group has taken advantage of an exemption not to disclose transactions with wholly owned subsidiaries. Where appropriate, transactions of a similar nature are aggregated unless, in the opinion of the directors, separate disclosure is necessary to understand the effect of the transactions on the Group financial statements.

1.17 Termination benefits

Termination benefits are employee benefits payable as a result of either:

- a decision to terminate an employee's employment before the normal retirement date; or
- an employee's decision to accept voluntary redundancy in exchange for those benefits.

These benefits are charged on an accruals basis to the relevant line in the Comprehensive Income and Expenditure Statement when the Group has committed to the termination of an employment or making an offer of voluntary redundancy.

2. Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

The following judgements (apart from those involving estimates) has had the most significant effect on amounts recognised in the financial statements.

The Company entered into a sale and leaseback transaction in respect of previously owned assets. Based on an evaluation of the terms and conditions of the arrangements to determine whether the Company retained the significant risks and rewards of ownership of these assets, the Directors have considered it appropriate to continue to recognise the assets in the statement of financial position.

The following is the Company's key area of estimation uncertainty.

Taxation

Management estimation is required to determine the amount of deferred tax assets that can be recognised, based upon likely timing and level of future taxable profits, together with an assessment of the effect of future tax planning strategies. Further details are contained in notes 10 and 19.

3. Subsequent events

There were no events subsequent to the balance sheet date.

SCOTTISH EVENT CAMPUS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

4. Turnover

	2022 £	2021 £
Space letting, ticketing, exhibition organising, contract compensatory payments and insurance proceeds.	22,417,347	10,226,921
Louisa Jordan service costs	3,070,521	6,705,116
Grant income	1,416,330	2,893,581
	<u>26,904,198</u>	<u>19,825,618</u>

Turnover for the year ended 31st March 2022 includes insurance proceeds of £3.0m from our Business Interruption claim (2021 £2m).

Louisa Jordan service costs were in respect of expenditure incurred on behalf of Scottish Government under the Louisa Jordan Licence which were recharged at cost.

Grant income includes deferred capital grants of £779,511 (2021 £814,213) and Job Retention Scheme receipts of £636,819 (2021 £2,079,368).

All turnover arose within the United Kingdom.

5. Operating loss

The operating profit (2021 loss) is stated after charging:

	2022 £	2021 £
Depreciation of tangible fixed assets	3,259,624	3,586,572
Audit remuneration – audit services	<u>76,000</u>	<u>56,000</u>

6. Employees

Staff costs, including Directors' remuneration, were as follows:

	2022 £	2021 £
Wages and salaries	7,492,072	8,556,410
Social security costs	782,800	883,455
Cost of defined contribution scheme	784,595	816,724
	<u>9,059,467</u>	<u>10,256,589</u>

Government grant income under the Job Retention Scheme for furloughed employees of £636,819 (2021 £2,079,368) relating to staff costs have been recognised as income in the year (Note 4).

SCOTTISH EVENT CAMPUS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

6. Employees (continued)

Staff costs include £515,296 (2021 £nil) in relation to 22 employees as part of a voluntary redundancy scheme during the year which was offered in September 2021.

The average monthly number of employees, including the Directors, during the year was as follows:

2022	2021
No.	No.
<u>219</u>	<u>243</u>

7. Directors' remuneration

	2022 £	2021 £
Directors' emoluments	524,710	518,778
Company contributions to defined contribution pension schemes	19,313	18,499
	<u>544,023</u>	<u>537,277</u>

The highest paid Director received remuneration of £235,315 (2021 - £232,259).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid Director amounted to £NIL (2021 - £NIL).

8. Interest receivable

	2022 £	2021 £
Other interest receivable	<u>98,098</u>	<u>44,886</u>

9. Interest payable and similar charges

	2022 £	2021 £
Bank interest payable	<u>279,935</u>	<u>409,571</u>

SCOTTISH EVENT CAMPUS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

10. Taxation

	2022	2021
	£	£
UK Corporation tax on profits for the period	-	-
Adjustment in respect of previous periods	-	-
Total current tax	<u>-</u>	<u>-</u>
Deferred tax		
Origination and reversal of timing differences	1,005,106	(119,095)
Effect of changes in tax rates	-	-
Adjustment in respect of previous periods	(6,155)	157,447
Total deferred tax	<u>998,951</u>	<u>38,352</u>
Taxation on profit on ordinary activities	<u>998,951</u>	<u>38,352</u>

Factors affecting tax charge for the year

The tax assessed for the year is lower than the standard rate of corporation tax in the UK of 19% (2020 – 19%).
The differences are explained below:

	2022	2021
	£	£
Profit/ (loss) on ordinary activities before tax	<u>1,495,751</u>	<u>(1,061,578)</u>
Profit/ (loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	284,193	(201,700)
Effects of:		
Expenses not deductible for tax purposes	48,338	237,306
Adjustments in respect of prior periods	(6,498)	157,447
Tax rate changes	821,027	-
Income not taxable	(148,107)	(154,700)
Deferred tax not provided	-	-
Total tax charge for the year	<u>998,951</u>	<u>38,352</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

10. Taxation (continued)

Factors affecting future tax charges

The Finance (No.2) Act 2015 reduced the main rate of UK corporation tax to 19%, effective from 1 April 2017. A further reduction in the UK corporation tax rate to 17% was expected to come into effect from 1 April 2020 (as enacted by Finance Act 2016 on 15 September 2016). However, a Budget resolution (enacted 17 March 2020) repealed the reduction of the corporation tax, thereby maintaining the current rate of 19%.

The Finance bill 2021 was substantively enacted increasing the UK corporation tax rate to 25% from 1 April 2023 which was given royal assent on 10 June 2021. Deferred taxes on the balance sheet have been measured at 25% (2020 – 19%) which represents the future corporation tax rate that was substantively enacted at the balance sheet date.

11. Parent company profit for the year

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of comprehensive income in these financial statements.

The profit after tax of the parent Company for the year was £496,800 (2021 - £164,882).

SCOTTISH EVENT CAMPUS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

12. Tangible fixed assets

Group

	Land, Buildings & Fixed Plant £	Assets under construction £	Plant and machinery £	Motor vehicles £	Total £
Cost or valuation					
At 1 April 2021	152,259,175	3,036,998	19,487,257	183,790	174,967,220
Additions	45,070	-	516,481	15,850	577,401
Disposals	-	-	-	-	-
At 31 March 2022	152,304,245	3,036,998	20,003,738	199,640	175,544,621
Depreciation					
At 1 April 2021	64,030,087	-	15,373,562	155,083	79,558,732
Charge for the period on owned assets	2,380,254		872,437	6,932	3,259,623
Disposals	-	-	-	-	-
At 31 March 2022	66,410,341	-	16,245,999	162,015	82,818,355
Net book value					
At 31 March 2022	85,893,904	3,036,998	3,757,739	37,625	92,726,266
At 31 March 2021	88,229,088	3,036,998	4,113,695	28,707	95,408,485

SCOTTISH EVENT CAMPUS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

12. Tangible fixed assets (continued)

Company

	Land, Buildings & Fixed Plant £	Assets under construction £	Plant and machinery £	Motor vehicles £	Total £
Cost or valuation					
At 1 April 2021	152,242,219	3,036,998	18,274,276	164,582	173,718,075
Additions	45,070	-	494,882	15,850	555,802
Disposals	-	-	-	-	-
At 31 March 2022	152,287,289	3,036,998	18,769,158	180,432	174,273,877
Depreciation					
At 1 April 2021	64,007,228	-	14,448,139	135,876	78,591,241
Charge for the period on owned assets	2,425,512	-	755,955	6,932	3,188,399
Disposals	-	-	-	-	-
At 31 March 2022	66,432,740	-	15,204,094	142,808	81,779,642
Net book value					
At 31 March 2022	85,854,549	3,036,998	3,565,064	37,624	92,494,235
At 31 March 2021	88,234,991	3,036,998	3,826,137	28,706	95,126,833

SCOTTISH EVENT CAMPUS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

13. Debtors

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Trade debtors	2,086,910	7,736,210	1,684,743	6,964,411
Other debtors	1,193,614	751,181	1,131,969	686,494
Prepayments and accrued income	997,170	561,677	960,849	553,566
VAT repayable	708,943	10,199	551,272	-
	<u>4,986,637</u>	<u>9,059,267</u>	<u>4,328,833</u>	<u>8,204,471</u>

14. Creditors: Amounts falling due within one year

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Bank facility drawdown	-	10,000,000	-	10,000,000
Trade creditors	2,755,489	737,935	1,872,922	542,456
Amounts owed to Group undertakings	-	-	1,463,549	5,118,855
VAT payable	-	1,081,705	-	324,123
Other taxation and social security	-	-	-	-
Obligations under finance lease and hire purchase contracts	21,026	37,156	21,026	37,156
Promoters and other creditors	35,244,179	13,253,227	33,119,686	8,189,350
Accruals, provisions and deferred income	13,353,119	8,659,682	12,825,762	8,177,939
	<u>51,373,813</u>	<u>33,769,705</u>	<u>49,302,944</u>	<u>32,389,879</u>

Amounts owed to Group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

SCOTTISH EVENT CAMPUS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

15. Creditors: Amounts falling due after more than one year

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Net obligations under finance lease and hire purchase contracts	21,026	-	21,026	-
Sale and leaseback	38,000,000	38,000,000	38,000,000	38,000,000
Promoters, accruals and deferred income	4,027,999	17,267,039	3,661,564	16,885,965
	<u>42,049,025</u>	<u>55,267,039</u>	<u>41,682,590</u>	<u>54,885,965</u>

16. Short term bank loans

Group and Company

	2022 £	2021 £
Bank drawdown	<u>-</u>	<u>10,000,000</u>

The revolving credit bank facility was undrawn at 31st March 2022. The drawdown ranged from nil to £10m during the year to reduce any cash flow risks. This was in the form of a short term bank loan.

17. Provisions

Group and Company

	2022 £
At beginning of year	174,695
Repayment	(152,514)
Movement charged to income statement	(22,181)
At end of year	<u><u>-</u></u>

SCOTTISH EVENT CAMPUS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

18. Hire purchase and finance leases

Minimum lease payments under hire purchase plant and machinery fall due as follows:

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Within one year	21,026	37,156	21,026	37,156
Between 1-2 years	21,026	-	21,026	-
	<u>42,052</u>	<u>37,156</u>	<u>42,052</u>	<u>37,156</u>

19. Deferred tax liability**Group**

	2022 £
At beginning of year	2,420,571
Adjustment in respect of prior years	(6,498)
Deferred tax charge to income statement for period	1,005,446
At end of year	<u>3,419,519</u>

Company

	2022 £
At beginning of year	2,409,298
Adjustment in respect of prior years	(6,155)
Charged to the profit or loss	1,008,704
At end of year	<u>3,411,847</u>

SCOTTISH EVENT CAMPUS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

19. *Deferred tax liability (continued)*

The deferred tax liability is made up as follows:

	Group £	Company £
RECOGNISED		
Fixed asset timing differences	3,994,755	3,987,083
Short-term timing differences	-	-
Trading losses	(575,236)	(575,236)
	<u>3,419,519</u>	<u>3,411,847</u>
UNRECOGNISED		
Trading losses	-	-
Capital losses	(115,345)	(106,515)
	<u>(115,345)</u>	<u>(106,515)</u>

20. *Deferred grants*

Group and Company

	Deferred Grants £
At 1 April 2021	32,450,733
Utilised in year	(779,509)
At 31 March 2022	<u>31,671,224</u>

The Group received two government grants for the development of the OVO Hydro and related works. The grant was awarded in relation to capital expenditure on the basis all conditions were fully met when awarded. There are no unfulfilled conditions related to either grant and the only contingency for repayment would arise if a disposal of the OVO Hydro were made.

SCOTTISH EVENT CAMPUS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

20. Deferred grants (continued)

	2022 £	2021 £
The expected outflow of the deferred grant is as follows:		
Within one year	777,786	779,511
Between 1-2 years	777,786	777,786
Between 2-5 years	2,333,358	2,333,358
Greater than 5 years	27,782,295	28,560,078

21. Share capital

	2022 £	2021 £
<i>Shares classified as equity</i>		
<i>Allotted, called up and fully paid</i>		
21,900,000 Ordinary shares of £1 each	<u>21,900,000</u>	<u>21,900,000</u>

The Company has one class of ordinary share which carries full voting rights but no rights to fixed income or repayment of capital. Distributions are at the discretion of the Company.

22. Reserves

	<i>Capital redemption reserve</i> £	<i>Profit and loss account</i> £
Group		
At 1 April 2021	2,750,000	(8,713,502)
Total comprehensive income for the financial year	-	496,800
At 31 March 2022	<u>2,750,000</u>	<u>(8,216,702)</u>
Company		
At 1 April 2021	2,750,000	(7,384,243)
Total comprehensive income for the financial year	-	1,376,075
At 31 March 2022	<u>2,750,000</u>	<u>(6,008,168)</u>

SCOTTISH EVENT CAMPUS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

23. Net cash flow from operating activities

	2022 £	2021 £
Operating (loss) / profit	1,677,588	(696,893)
Depreciation	3,259,624	3,586,572
Amortisation charges	-	-
Impairment charges	-	-
(Increase)/decrease in debtors	4,072,632	(3,607,009)
Increase in creditors	4,386,093	652,713
Deferred capital grant movement	(779,511)	(814,213)
Net cash (outflow)/ inflow from operating activities	<u>12,616,427</u>	<u>(878,829)</u>

24. Analysis of cash flows for headings netted in cash flow statement

	2022 £	2021 £
Returns on investments and servicing of finance		
Interest received	98,098	44,886
Interest paid	(279,935)	(409,571)
Net cash outflow from returns on investments and servicing of finance	<u>(181,837)</u>	<u>(364,685)</u>

	2022 £	2021 £
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(577,400)	(733,006)
Goodwill	-	-
Reclassification of assets under construction	-	-
Net proceeds of asset sales	-	-
Sale and leaseback	-	-
Net cash outflow from capital expenditure	<u>(577,400)</u>	<u>(733,006)</u>

SCOTTISH EVENT CAMPUS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

25. Analysis of changes in net funds

	1 April 2021 £	Cash flow £	Other non-cash changes £	31 March 2022 £
Cash at bank and in hand	35,376,793	11,857,191	-	47,233,984
Net funds	<u>35,376,793</u>	<u>11,857,191</u>	<u>-</u>	<u>47,233,984</u>

Included within cash at 31 March 2022 £Nil funds (2021 - £360,531) are deposited into an escrow account to cover the potential maximum liability to City Parking (Glasgow) LLP for the loss of earnings from the expiry of the car park rent free period until the opening date of the hotel on the campus. Please refer to Note 27 for further information.

26. Pension commitments

On 1 April 2006, a Group Stakeholder scheme based on individual contracts was put in place. The contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme and the cost for the year is shown in Note 6 Employees. The assets are held in the names of individual employees. At 31 March 2022 there was £NIL (2021 - £NIL) of outstanding pension contributions in respect of this scheme.

27. Related party transactions

Glasgow City Council (GCC) holds 90.87% of the ordinary share capital of the Company and is therefore the ultimate controlling party of the Company as detailed in Note 28. In terms of the Company's Articles of Association, whilst GCC remains as a principal shareholder, four of the Directors of the Company shall be persons selected and appointed by the SEC Board as representatives of the principal shareholder.

Scottish Event Campus Limited through Scottish Conference Centre Limited has entered into a contract with GCC for the operation and management of the conference centre. The agreement runs until 19 April 2047.

Scottish Event Campus Limited entered an agreement with City Parking (Glasgow) LLP, a wholly owned subsidiary of GCC, in respect of the multi storey car park. The campus development provided two hotels on site. Until the first hotel opened the Company was required for a period of up to 10 years to pay an annual contribution to City Parking (Glasgow) LLP in respect of a contribution towards their rental payable on the car park lease. As a consequence of the hotels being completed, £NIL has been provided in these accounts, with the final outflow to City Parking (Glasgow) LLP accounted for.

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27. Related party transactions (continued)

The Company entered into a sale and leaseback arrangement with Glasgow City Council during 2013 with a transaction value of £40m. Whilst the sale and leaseback arrangement has been implemented it is considered that the risks and rewards of the land and buildings still sit with the Company in the longer term and so the arrangement is classified as a sale and finance leaseback and the receipt will be shown as a long term creditor which will ultimately be repaid through the disposal of the west development site, at which time the occupational lease will convert to a long ground lease. The assets that form part of the sale and leaseback transaction remain on Scottish Event Campus Limited's books with no change to their carrying value.

Key Management Personnel - All Directors and certain senior employees who have authority and responsibility for planning, directing and controlling the activities of the Group are considered to be key management personnel. Total remuneration in respect of these individuals is £1,359,377 (2021 - £1,344,827).

28. Controlling party

The ultimate controlling party of Scottish Event Campus Limited is Glasgow City Council, whose principal offices are at the City Chambers, George Square, Glasgow, G2 1DU.

Scottish Event Campus Limited (the Group) consists of all subsidiaries listed in Note 29.

The results of the Group are consolidated into the Glasgow City Council financial statements which are available from the principal offices.

SCOTTISH EVENT CAMPUS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

29. Subsidiary undertakings

The following were subsidiary undertakings of the Group:

Name	Holding	Country of Incorporation	Share Capital	Principal Activity
QD Events Ltd	100%	Scotland	Ordinary	Event Organiser
Scottish Conference Centre Ltd	100%	Scotland	Ordinary	Venue Management
SEC Project Management Ltd	100%	Scotland	Ordinary	Management of Large Capital Projects
Scottish Exhibition & Conference Centre Ltd	100%	Scotland	Ordinary	Dormant
Associate Events and Exhibition Ltd	100%	Scotland	Ordinary	Dormant
Scottish Exhibition Centre Ltd	100%	Scotland	Ordinary	Dormant
Glasgow Box Office Ltd	100%	Scotland	Ordinary	Dormant
SEC Exhibitions Ltd	100%	Scotland	Ordinary	Dormant
SFN Expo Ltd *	100%	Scotland	Ordinary	Show Organiser

** Owned via QD Events Ltd*

The registered office of the subsidiary undertakings noted above is Scottish Event Campus, Glasgow, G3 8YW.

For the year ended 31 March 2022 Scottish Conference Centre Limited, SC090711, QD Events Ltd, SC241462 and SFN Expo Limited, SC459534 were entitled to exemption from audit under section 479A of the Companies Act 2006. The parent companies have provided a guarantee over any liabilities at the end of the financial year.

For the year ended 31 March 2022 Scottish Exhibition & Conference Centre Ltd, SC160699, Associate Events and Exhibition Ltd, SC093013, Scottish Exhibition Centre Ltd, SC259983, Glasgow Box Office Ltd, SC201916 and SEC Exhibitions Ltd, SC130717 were dormant and exempt from preparing individual accounts by virtue of section 394a of Companies Act 2006.