

An aerial photograph of the Scottish Event Campus (SEC) in Glasgow, Scotland. The image shows the large, modern, white, bowl-shaped SEC arena and the adjacent SEC arena, which has a distinctive, curved, metallic roof. The campus is situated along the River Forth, with a bridge crossing the river in the foreground. The surrounding urban landscape of Glasgow is visible in the background.

# 2022-23

# YEAR

# IN

# REVIEW



Scottish  
Event  
Campus





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# CON TENTS



# CHAIR'S WELCOME

Our success is measured not only in financial terms but also by the economic impact of the campus which generated net additional expenditure of £1.2m per day in the Glasgow area.



The year to March 2023 was the first full year of trading since we closed in March 2020 as a result of the global pandemic. The busy calendar through the year, including some rescheduled events, resulted in turnover increasing by £16.1m to £43.0m. With the exception of 2014 (the year of the Commonwealth Games) EBITDA was the highest in the history of the SEC at £5.9m.

This is a clear demonstration of the strong demand for live events and the important role they play in people's lives. The sudden return to full activity following the pandemic did present challenges and therefore to produce these results should be recognised as an outstanding performance. The positive feedback from event organisers and visitors clearly shows that the SEC is once again delivering great experiences in all sectors of our business.

Our success is measured not only in financial terms but also by the economic impact of the campus which generated net additional expenditure of £1.2m per day in the Glasgow area, a total of £428m for the year. The net additional

expenditure in Scotland was measured at £264m and in the Rest of UK at £176m. There were 2.0 million visitors to the campus during the year. The importance of a busy and successful SEC to a vibrant Glasgow is widely recognised with many businesses in the city benefitting from the footfall and resultant spend generated by events.

The SEC's climate goal has been in sharp focus with a determined effort through investment to reduce our carbon footprint.

The SEC's Learning Journey is our way of supporting Scotland's young people and creating tailor made experiences to make an impact on their career choices. This year, we inspired 959 young people, hosting various tours, presentations and work experience in the local community.

Our team has continued to show its dedication, commitment and adaptability following the pandemic, by demonstrating their loyalty to our mission: Best Venues, Best People, Best Events.

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**Will Whitehorn**  
Chair

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**The profit for the year, after taxation, amounted to £3,203,458 (2022: £496,800).**

The business is already seeing the benefits of the continued investment in our facilities and our people and the trading profits generated will continue to support our venues to ensure that we remain competitive in all of the markets in which we operate.

The campus welcomed over 2 million visitors during the year.

Whilst our Exhibition sector hosted fewer shows than the 2020 full year comparative, the return of many of our regular events was welcome. Some regular events have delayed their relaunch to 2024. This, coupled with some new additions, will see an increase in the 2023 shows hosted.

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**Peter Duthie**  
Chief Executive

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Our Conference sector enjoyed a good year hosting 17 international events. There was also strong demand for corporate meetings. The investment in event technology has supported hosting events which have an online element. The past financial year was a record for the level of future conference business wins for the SEC. This includes several high profile, large scale international conferences, the highlight being the 92nd Interpol General Assembly which will take place in November 2024.

The OVO Hydro hosted a record 150 performances. It continues to be one of the world's busiest and best arenas with over one million tickets sold annually. As the venue approaches its 10th birthday, it would be hard to overstate the enormous benefit it has brought to Glasgow and its citizens.

Our events management subsidiary, QD Events saw the return of their regular portfolio of shows, with all enjoying strong visitor numbers.

It should be noted that whilst event levels will remain strong, the forthcoming year will not benefit from the release of post covid pent up demand and rescheduled shows which helped to drive the current year's performance. It will also bring significant cost pressures, particularly through energy and staffing, requiring a focus on margin to ensure ongoing profitability.

Although our supply chain, which is largely labour based, remained robust, the SEC, similar to many other businesses, experienced inflationary pressures in our cost base.

We have engaged with our contractors to ensure we remain an attractive and competitive place to work.

More than ever before we are focused on the impact our business has on the planet. As the proud host venue of COP26 where the Glasgow Climate Pact was agreed with the aim of turning the 2020's into a decade of climate action, the SEC is committed to becoming net zero carbon by 2030. Central to achieving this is our bold energy strategy which will transition the SEC to fully renewable and clean energy sources.

Our top priority over the last year has been to provide consistent support to all Team SEC members, as they adapted to a return to business as usual. To accommodate different demands across the business, flexible support mechanisms were required. We prioritised mental health, financial fitness, flexible working, personal development, support services and welfare activations.

With 70% of our team on flexible working, we needed to provide hybrid technology opportunities. Each individual's review took into account their own personal circumstances, whilst ensuring it aligned to our business needs.





# SUSTAINABILITY



The OVO Hydro was the first arena in the world to be awarded 'A Greener Arena' accreditation.



Following the SEC's ambitious commitment to becoming net zero by 2030, strides have been taken to deliver on each of the sustainability strategy's five key goals: Climate, People, Partnerships, Resource and Governance.

The Climate goal has been in sharp focus with a determined effort through investment to reduce our carbon footprint. An extensive lighting replacement program has been implemented, switching to LED throughout the venue. This project supports our energy reduction targets for 2023 and is a key step in our Net Zero 2030 journey.

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. The concept for the zero-carbon campus is progressing with an in depth multi-faceted feasibility study completed.

Plant efficiency, building software management enhancements and upgrades have been taking place throughout the year, and have set the foundation for our 10% energy reduction target for the forthcoming year.

Our People are instrumental to ensuring that we deliver on our strategy. Our dedicated team members provide the technical expertise and experience to progress our route to Net Zero 2030. In addition, they are supported by our sustainability team and our energy management group with representation from across the business.

On the back of the sustainable food strategy launched in July 2021, in partnership with Levy UK, the venue has

introduced carbon labelling on conference catering, providing the CO2 equivalent on every dish served. This has enabled clients and delegates to make informed choices whilst helping to raise awareness of the carbon impact of different food items.

Supporting the Resource goal to reduce waste, the introduction of a reusable cup, 'Stack Cup', for all live events in the OVO Hydro in 2022, along with other waste efficiency measures, has reduced general waste by 33% when compared to our baseline year to March 2020. Through a partnership with Glasgow City Council, SEC sends zero waste to landfill, using the state of the art Glasgow Recycling and Renewable Energy Centre.

Supporting our Governance goal, we have introduced three policies. An Environmental Policy, an Office Energy Policy and a Green Travel Policy are now available on our employee app.

A Waste Management Protocol has been created, and a Sustainable Events Toolkit has been developed to guide our clients in delivering more sustainable events.

The OVO Hydro was the first arena in the world to be awarded 'A Greener Arena' accreditation. The award recognises the venue's commitment to tackling environmental issues, such as emissions, but also its work on issues around staff wellbeing. The OVO Hydro, as well as the remainder of the campus uses 100% renewable electricity and has eliminated the use of single use plastic cups at live events.

We have further underlined our commitment to sustainability by achieving the Green Meetings Gold Award – the initiative's highest attainment.



# CONFERENCES



Euro Anaesthesia 2023, SEC Centre

**The SEC's conference business has bounced back in 2022/23 with both turnover and gross profit outperforming expectations by 23% and 25% respectively.**

The venue's successful conference business has been integral to Glasgow taking the top spot in Scotland, ranking second in the UK after London, and climbing to 22nd in Europe above major cities such as Geneva, Munich, Hamburg and Manchester for the number of international meetings held according to the recently announced annual ICCA statistics.

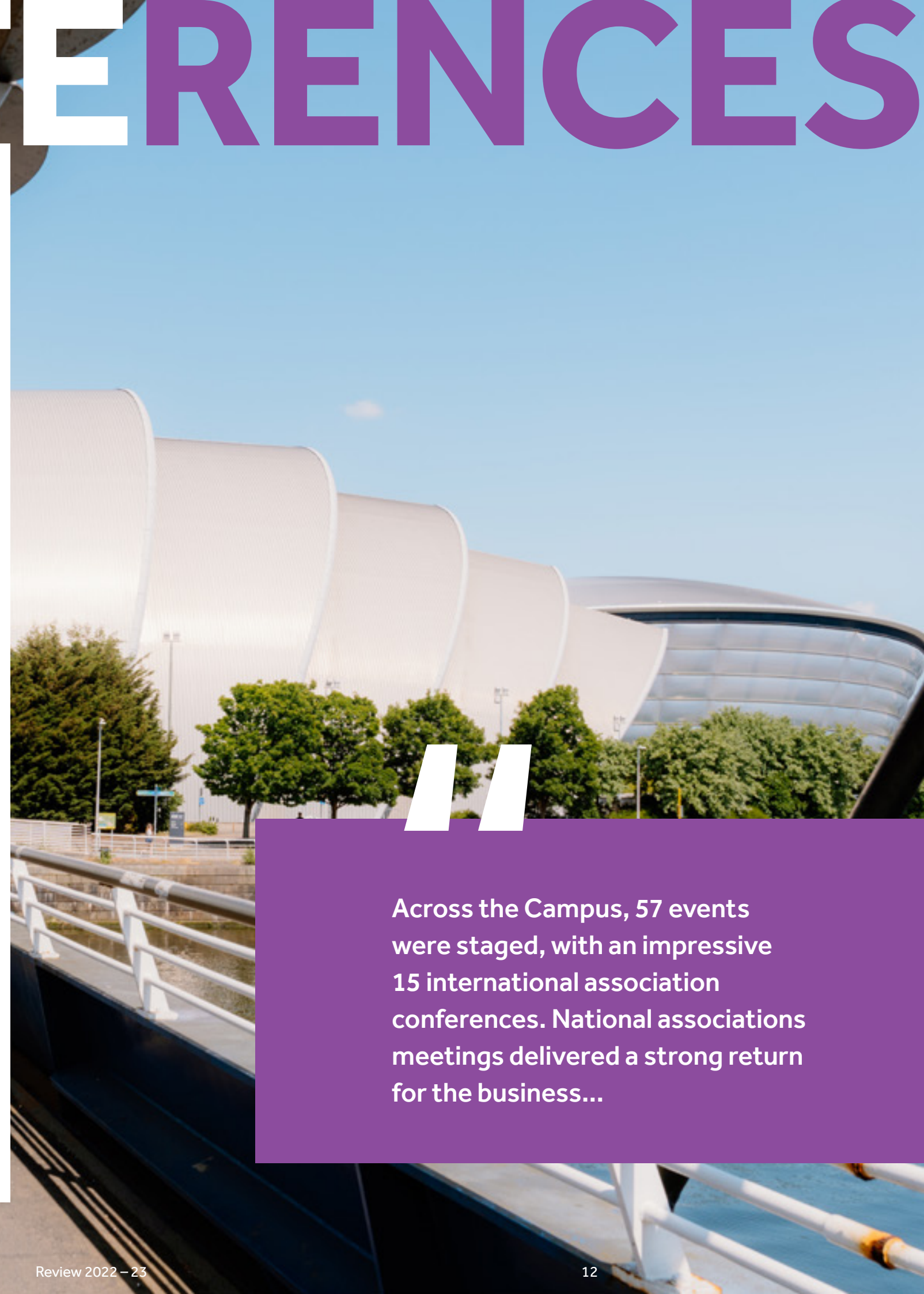
Across the Campus, 57 events were staged, with an impressive 15 international association conferences. National associations meetings delivered a strong return for the business, and although the corporate market took a more cautious approach to reintroducing in-person meetings, the year closed with a respectable 24 corporate events in the

portfolio. Delegate numbers recovered to 83% of pre-pandemic expected attendance in line with the global industry average, and most conferences provided an option to participate online, capitalising on the SEC's advanced business events technology.

Critically, the team secured record levels of new business in 2022/23 for future years in collaboration with city partners, which reflects confidence in the market and ensures a healthy pipeline of conferences for the city as far ahead as 2027. New business won will bring over 77,000 delegates to Glasgow, delivering 334,298 delegate days with an estimated economic benefit of £167 million.

On the back of successfully delivering COP26 in November 2021, the venue was proudly selected as the location for the 92nd Interpol General Assembly, scheduled from November 4 to 7, 2024. This high-profile event will once again amplify the SEC and Glasgow's reputation as the natural home for complex, high-profile events of global significance.

A stellar line up of awards scooped by the venue recognised the work of our team, clients, conference ambassadors, and city partners. The SEC took gold for the Best UK Conference Centre 2022 at the M&IT Awards and secured the top prize for the Best Business Event at the Scottish Thistle Awards and Best Sustainable Event at the ABPCO Excellence Awards.



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# EXHIBITIONS



- 35 events: 13 trade and 22 consumer
- 8 new events accounting for 12% of turnover
- Welcomed 365,000 visitors
- Just 62% retention of previous full year shows

Ideal Home Show, SEC Centre



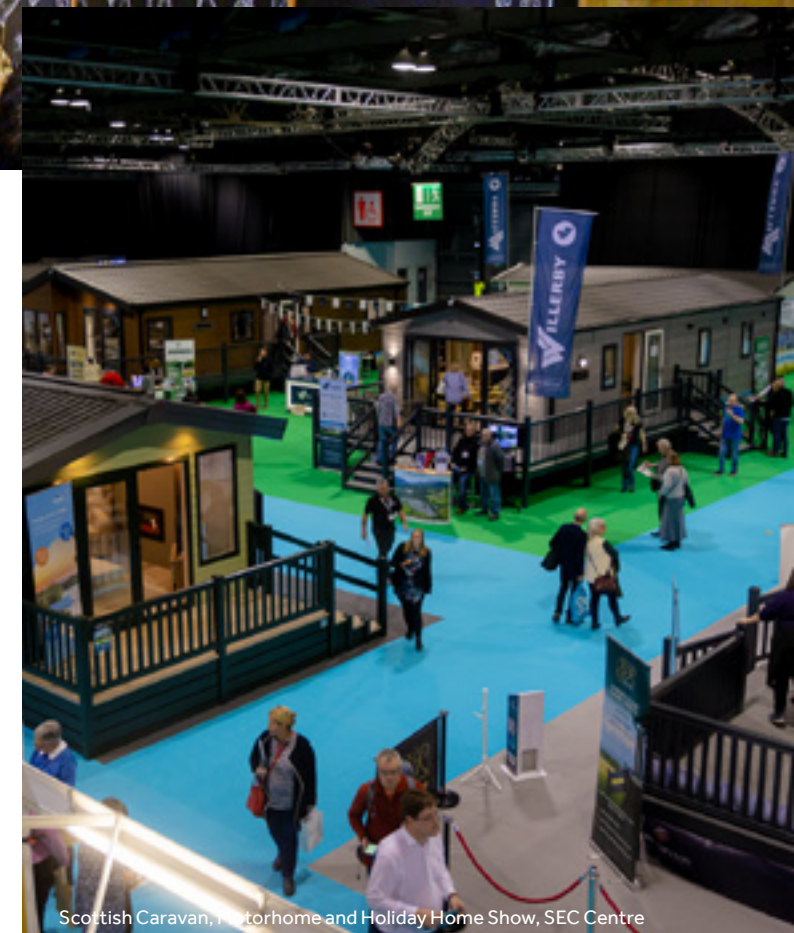
All Energy, SEC Centre

This was the first full year of events since covid restrictions on capacities were lifted. We achieved 85% of pre-covid levels in turnover, but with a margin drop due to increased costs at show level.

We lost 16 events (38% of our pre-covid roster) so the rebuild has focused on new business. This year was strong for new events and next year looks to be even stronger which is encouraging.

Most events performed in line with UK norms, slightly smaller numbers of exhibitors and drop in visitor numbers. But with notable expectations, The Scottish Wedding show and All Energy delivered great events due in part to pent up demand and positive market dynamics.

Our focus has been enhancements to the organiser facilities, building marcomms support, a renewed effort on the food offer and continued drive to help clients deliver events whilst managing the carbon impact.



Scottish Caravan, Motorhome and Holiday Home Show, SEC Centre

During the year our operations team were voted best venue team at the AEO Awards and won silver at the EN Awards.

The year ahead forecasts a return to double digit growth in terms of GP whilst still managing a challenging cost base.



The strategic focus of the business on the core markets in which it operates has helped accelerate the recovery of the brands post Covid.

2022/23 has seen the consumer event sector that QD Events operates in bounce back strongly after two fallow years impacted by COVID-19. The strategic focus of the business on the core markets in which it operates has helped accelerate the recovery of the brands post Covid.

The wedding sector performed extremely well with record exhibitor numbers at both the Autumn and Spring shows, and increased levels of visitors attending the events, making the Scottish Wedding Shows the largest wedding exhibitions in the UK.

The Scottish Caravan, Motorhome and Holiday Home Show returned after a 3 year hiatus, and recorded the largest visitor numbers it had ever seen in its history. Stock issues were still an issue within the industry, however these are returning to normal. The staycation market continues to flourish and this is being seen in the results of the bookings taken for the event going forward.



The IRN BRU Carnival ran for 23 days over the Christmas and New Year period, welcoming over 130,000 visitors to the 63 attractions in the halls.

Looking forward to 2023/24 the core brands of the business will continue to grow and plans will be developed for the expansion of the brands and the development of new ones within the business.





Strictly Come Dancing, 1000th Hydro Show

**2022/23 was a record breaking year for live entertainment with the OVO Hydro hosting 150 performances, including residencies by Paolo Nutini and Kevin Bridges, and staging Elton John’s last ever arena show.**

As the OVO Hydro approaches a milestone 10th year as Scotland’s home of live entertainment, it would be hard to overstate its benefit to Glasgow, economically and culturally. Celebrating its 1,000th show at Strictly Come Dancing: The Live Tour, the venue welcomed 1.2 million visitors in the year. Additionally, live events in the SEC Armadillo welcomed 170,000 visitors.

This success was recognised in the industry’s most influential media, with the OVO Hydro securing the No.1 position in Pollstar’s 2023 Top European Arena Rankings for ticket sales during the year, and more recently No.1 Worldwide on Billboard Top Grossing Venues (with a capacity of 10-15,000). The SEC Armadillo was also recognised in the Pollstar Rankings and placed at No.3 in the Top European Theatres category.

The OVO Hydro scooped the top prize in the 2023 Ticketmaster Awards, after winning the prestigious public vote for UK Venue of the Year, demonstrating the loyalty of our audiences.

When it came to fan experience, we continued to deliver innovative initiatives in collaboration with partners. Alongside the continued success of Stack Cup, which has reduced waste by 33%, we worked with Levy UK & Ireland to introduce self-service food and beverage ordering kiosks and with our ticketing partner, Ticketmaster, to enhance mobile ticketing with the introduction of SafeTix, an encrypted mobile ticket, built with leading-edge technology, developed with the fan in mind, and come standard with powerful fraud and counterfeit protection.

The OVO Hydro also supported a number of charities, including Nordoff & Robbins, the venue’s official charity partner, Music & You, to deliver ‘safe spaces’ within the venue during YungBlud’s February show where fans could access mental health assistance, and continued our support of Music Declares Emergency, with the charity delivering their ‘Fan Club for Climate Change’ at Paramore’s performance.

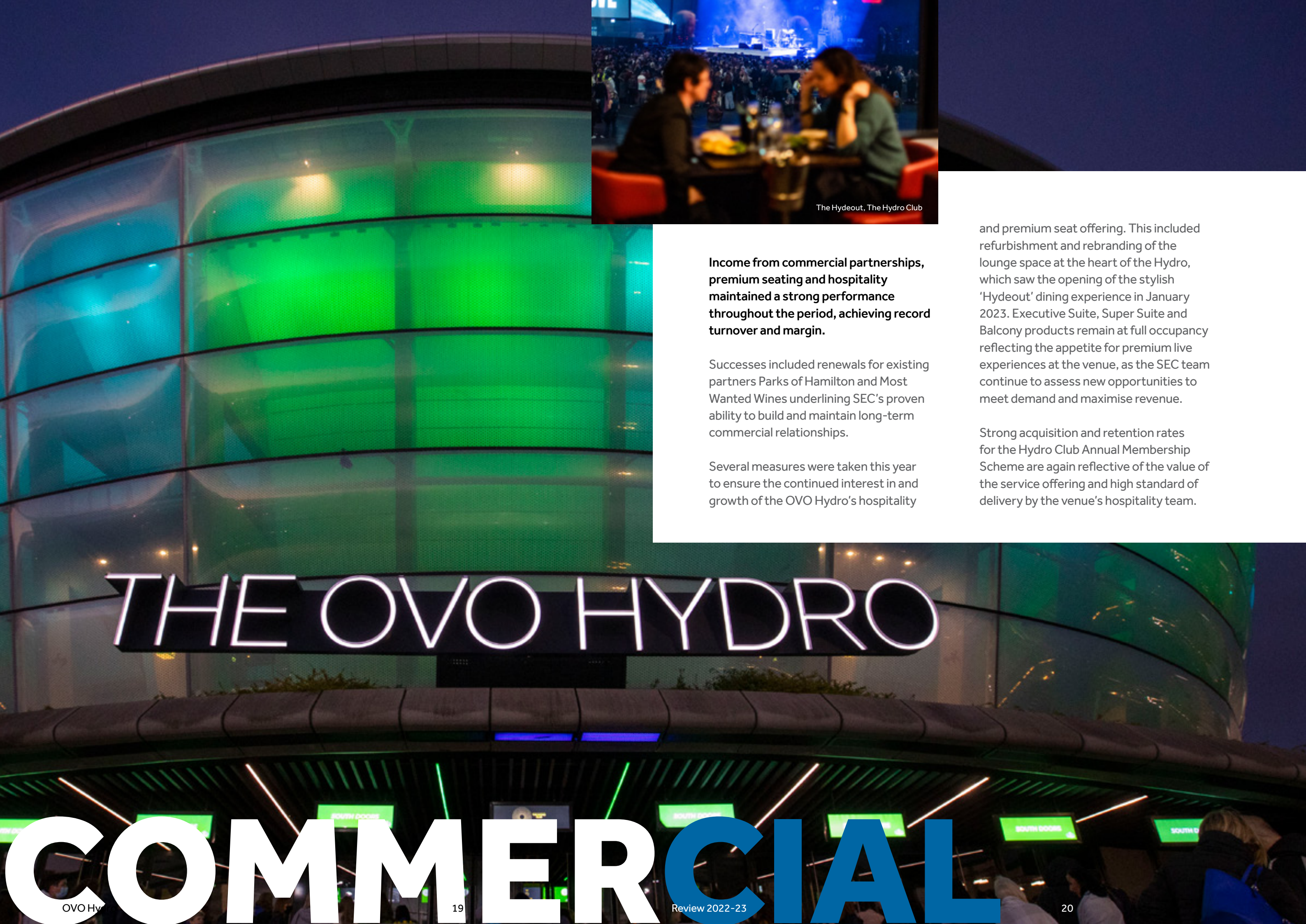
Hosting its inaugural International Women’s Day ‘Women in Entertainment’ panel discussion in March, the SEC hopes to create a pipeline of events that establishes us as central to the city’s conversations about sustainability and diversity, equality and inclusion (DEI), to complement our all-star programme of artists and events.

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Celebrating its 1,000th show at Strictly Come Dancing: The Live Tour, the venue welcomed 1.2 million visitors in the year.

LIVE

ENTERTAINMENT





**Income from commercial partnerships, premium seating and hospitality maintained a strong performance throughout the period, achieving record turnover and margin.**

Successes included renewals for existing partners Parks of Hamilton and Most Wanted Wines underlining SEC's proven ability to build and maintain long-term commercial relationships.

Several measures were taken this year to ensure the continued interest in and growth of the OVO Hydro's hospitality

and premium seat offering. This included refurbishment and rebranding of the lounge space at the heart of the Hydro, which saw the opening of the stylish 'Hydeout' dining experience in January 2023. Executive Suite, Super Suite and Balcony products remain at full occupancy reflecting the appetite for premium live experiences at the venue, as the SEC team continue to assess new opportunities to meet demand and maximise revenue.

Strong acquisition and retention rates for the Hydro Club Annual Membership Scheme are again reflective of the value of the service offering and high standard of delivery by the venue's hospitality team.





## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year end  
31 March 2023

	2023	2022
	£	£
<b>TURNOVER</b>	<b>42,991,165</b>	<b>26,904,198</b>
<b>OPERATING COSTS</b>	<b>(39,288,125)</b>	<b>(25,226,610)</b>
<b>OPERATING PROFIT</b>	<b>3,703,040</b>	<b>1,677,588</b>
Interest receivable and similar income	1,036,637	98,098
Interest payable and similar charges	(276,999)	(279,935)
<b>PROFIT BEFORE TAXATION</b>	<b>4,462,678</b>	<b>1,495,751</b>
Tax on profit on ordinary activities	(1,259,220)	(998,951)
<b>PROFIT FOR THE FINANCIAL YEAR</b>	<b>3,203,458</b>	<b>496,800</b>
<b>OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR</b>	<b>-</b>	<b>-</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR</b>	<b>3,203,458</b>	<b>496,800</b>
<b>PROFIT ATTRIBUTABLE TO</b>		
Owners of the parent company	3,203,458	496,800
	<b>3,203,458</b>	<b>496,800</b>
<b>TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO</b>		
Owners of the parent company	3,203,458	496,800
	<b>3,203,458</b>	<b>496,800</b>



## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at  
31 March 2023

	2023	2022
	£	£
<b>Fixed Assets</b>		
Tangible Assets	90,012,231	92,726,265
<b>Current Assets</b>		
Debtors: amounts falling due within one year	7,860,249	4,986,637
Bank and cash balances	50,246,540	47,233,984
	58,106,789	52,220,621
Creditors: amounts falling due within one year	(50,966,717)	(51,373,817)
<b>Net current assets</b>	7,140,072	846,804
<b>Total assets less current liabilities</b>	97,152,303	93,573,069
Creditors: amounts falling due after more than one year	(42,335,328)	(42,049,025)
<b>Provisions for liabilities</b>		
Deferred taxation	(4,286,780)	(3,419,521)
<b>Accruals and deferred grants</b>		
Deferred government grants	(30,893,438)	(31,671,224)
	(35,180,218)	(35,090,745)
<b>Net Assets</b>	19,636,757	16,433,299
<b>Capital and reserves</b>		
Called up share capital	21,900,000	21,900,000
Capital redemption reserve	2,750,000	2,750,000
Profit and loss account	(5,013,243)	(8,216,701)
Equity attributable to owners of the parent company	19,636,757	16,433,299
	19,636,757	16,433,299

## CONSOLIDATED STATEMENT OF CASH FLOWS

Year end  
31 March 2023

	2023	2022
	£	£
Net cash flow from operating activities	2,961,306	12,616,428
Net cashflow from investing activities	759,638	(181,837)
Net cash flow from financing activities	(708,388)	(577,400)
<b>CASH INFLOW BEFORE FINANCING</b>	3,012,556	11,857,191
<b>INCREASE (DECREASE) IN CASH IN THE YEAR</b>	3,012,556	11,857,191
<b>RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS</b>		
	2023	2022
	£	£
Increase in cash in the year	3,012,556	11,857,191
<b>CHANGE IN NET FUNDS RESULTING FROM CASH FLOWS</b>	3,012,556	11,857,191
<b>MOVEMENT IN NET FUNDS IN THE YEAR</b>		
Net funds at 1 April 2022	47,233,984	35,376,793
Movement in net funds resulting from cash flows	3,012,556	11,857,191
<b>NET FUNDS AT 31 MARCH 2023</b>	50,246,540	47,233,984



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