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2011 - 2012

SEC Ltd  
**Corporate Review**

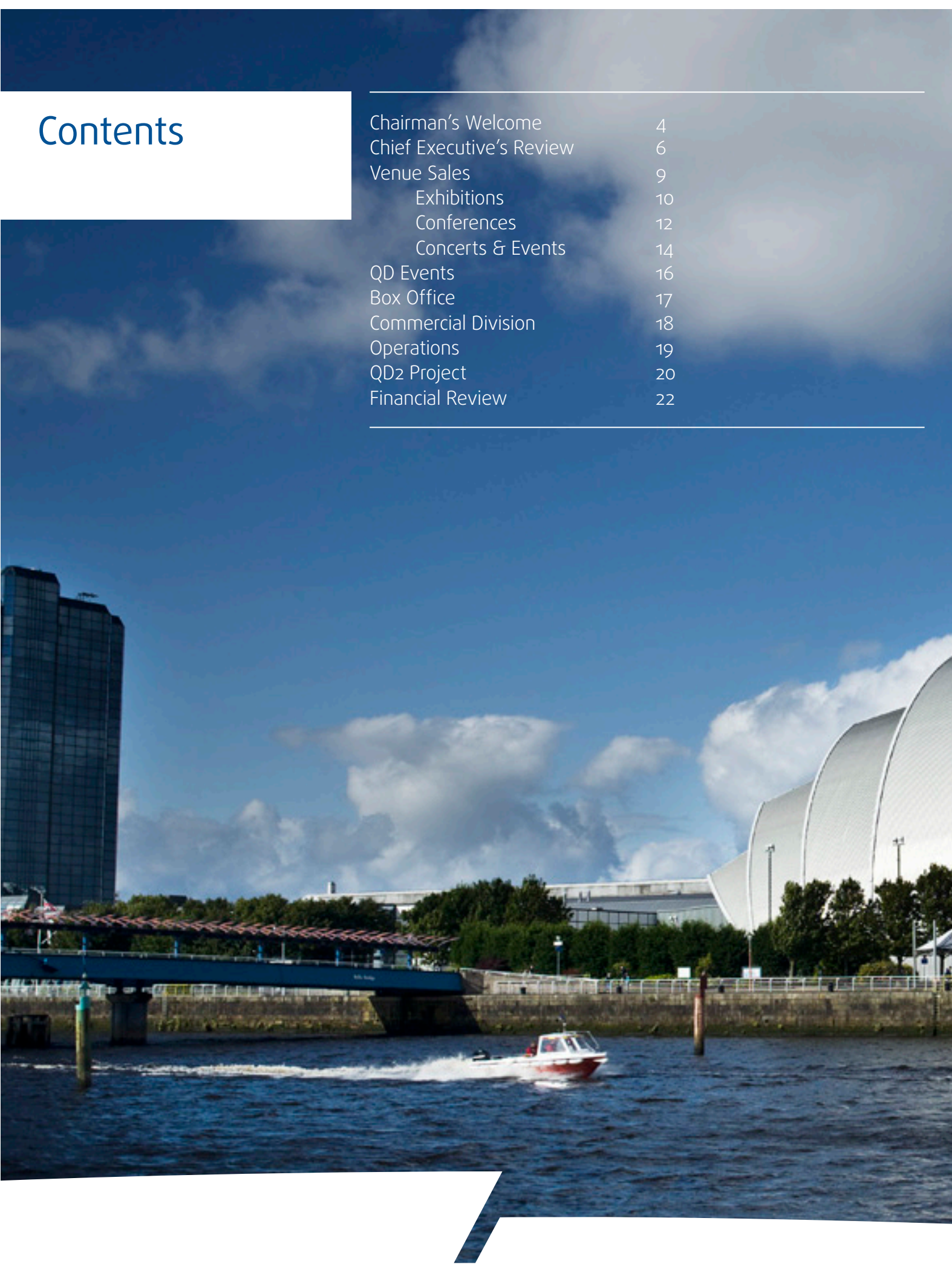


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# Chairman's Welcome

The underlying business climate in our key sectors remained tight in 2011/12 but we did overperform on expectations and with a healthy combination of tireless sales efforts and solid cost management we delivered a trading result much in line with the previous year despite the uncertain business climate pervading across much of the UK economy.

The fine balancing act of running a trading business whilst building a new Arena with a step change in a number of business and commercial operations was once again well managed. The company is responsible for the Arena construction project, its funding and the delivery of a car park and heliport relocation and I'm delighted to say that significant advances were made on all areas over the past year.

The Arena construction project is moving forward well and despite a year of poor climatic conditions for the construction site, the project remains on target to open in early September 2013. I am pleased to note that The Hydro construction team gained national

recognition earlier this year by winning the Gold Award at The Considerate Constructor's Awards; a reflection of the commitment the team has to Health and Safety and the focus on delivering minimal interruption beyond the construction boundary.

On funding matters the company concluded a sale and leaseback agreement with Glasgow City Council, our major shareholder. This solution delivered an elegant mix of cash funding for the Arena in advance of downstream mixed residential development in a structure which will return the assets to the company when the bridging finance is repaid and at the same time allow the company to progress ahead with a manageable capital structure. Whilst the sale and leaseback has been concluded the assets will remain on the company's balance sheet going forward because the risks and rewards of ownership remain substantially with the company.

We also concluded the car park deal as principal developer and entered into a binding forward sale agreement with an institutional investor after agreeing construction contracts and securing a car park operator. The car park is an excellent example of the team seeing through the difficulties of the

commercial development market and delivering a solution that not only provides a key component for the enlarged site but also provides capital and trading cash flows and a great result in overcoming developer paralysis.

I am also delighted to say that the last tranche of funding was secured in the form of the bank debt facility agreed with a well known bank who are our new partner providing banking services generally and additional sponsor support as noted below.

The relocation of our heliport facility as part of the long term development plans for the west of the site also moved forward. Following on from the land acquisition agreed last year we have now agreed relocation plans with the operator and we are currently out to tender on those plans having secured the necessary planning consents. Construction of the new heliport is expected to take place in the current year.

The regional hotel development market has been a challenge in recent years at particular product levels and our hotel site has been no different in this regard. However I am pleased to say that we are now in discussion with a number of developers who offer a funding solution to



the development – a component which most similar developments face as their blockage. I hope to be able to provide a commentary on significant progress in this area when we present next year's report.

On commercial sponsorship we have now contractually agreed our naming rights sponsorship with SSE and the new building will be known as The Hydro. We also completed contracts with our catering partner the Levy Group to begin a fruitful 10 year partnership which will bring great benefits to both organisations.

During the year we built upon our existing sponsorship with Coca-Cola by agreeing further founding partnership deals in beer pouring rights, consumer electronics, salted snacks, public transport, banking, security and information and communications technology. The partner announcements will be made over the next few months. Collectively these impressive partnerships will deliver great things for the enlarged business in addition to delivering in excess of £2.5m per annum cash sponsorship value.

As part of a long term relationship with our local community, we partnered with Glasgow based charity Project



Sir Ian D. Grant  
Chairman

highly prestigious within the conference industry because they are voted for by more than 3,000 meetings industry professionals. Our "Glasgow Model" in the conference marketplace also won the ICCA Best Marketing Award together with our partners from Glasgow City Marketing Bureau. We were equally delighted to be selected as the "Greenest Tourism Venue" at the Green Tourism Business Awards, again underpinning our commitment to sustainable operation as a key objective for our business and the clients who also use our venue.

Ability at Confex this year as the venue began its focus on 'Good Business' for 2012. The Glasgow based charity, which works with adults with learning disabilities and mental health issues to encourage creativity and expression through art, has been commissioned by the SECC to provide installations throughout the venue, underlining the venue's commitment to this important area.

We were particularly pleased to be once again voted best UK conference centre at the annual M&IT Awards which is considered

So in summary, another year of achievement and especially completion of another set of important milestones in the transformation of our business. These achievements are the result of significant efforts and determination from all of the talented individuals who we are lucky to call employees and to them I offer my thanks and the thanks of the Board in helping deliver our collective ambitions for the company.

# Chief Executive's Review

I am pleased to say that once again we returned a performance well ahead of expectations and in line with the challenge set for the business as the shape of the business changes significantly. We were expecting a quieter year for exhibitions, conferences and events but we still managed to finish the year way ahead of target and in line with the previous year. Before development gains and impairment costs EBITDA at £1.7m was some £0.2m ahead of expectations.

Whilst exhibition performance continued to face market challenges, contributions from all other sectors sustained our trading performance.

We also took the decision to restructure our exhibition organising company during the year to achieve more space for growth by discontinuing with a number of shows which had been underperforming for some time as a result of the difficult conditions of the last few years. The changes have resulted in more investment being available for the right product and an improved bottom line for the business going forward. In line

with the need to innovate and improve, we were delighted to see the return of Ideal Home Show Scotland, back in a new and improved version and acting as a catalyst for further growth in this market.

Our core shows over Christmas – the panto and the Irn-Bru carnival once again enjoyed stellar performances. With almost 156,000 ride-goers the carnival recorded its highest attendance in over two decades.

In this summer of sporting achievement, it is worthwhile noting that sport will play an increasing part across our business over the next few years. We are in active discussions over a number of events across a number of sporting disciplines for the existing halls and the Hydro. We will also be hosting a site wide programme of events during the Commonwealth Games in 2014, the World Gymnastics Championships in 2015 and we are a participating partner for the Youth Olympic Games bid for 2018.

We started to consider how we are going to bring The Hydro from a construction site into a fully operational iconic venue during the year. We set up a number of microgroups which will ensure that all areas are catered for as we move into operational delivery mode.

We are also upgrading our core business management systems to ensure we can serve the management and strategic needs of the businesses to truly understand our key parameters and fully capitalise on our business opportunities.

With The Hydro, we will deliver an iconic building, with state of the art customer service, digital infrastructure and a walk up image and functionality which will make it unique in the UK if not Europe.

New to this year was the trading activity we undertook as a commercial developer in relation to the disposal and construction contract for our new 1,600 space car park. We stepped into the development market and secured an operator, contractor and forward sold the development retaining a management interest in the construction contract. The Car Park will be completed in 2012, well ahead of The Hydro completion date and will deliver over £7m to the SEC bottom line and more importantly a funding receipt for the Hydro.

The main item which affects this year's results is the impairment charge recognised at this time in relation to The Hydro project. When originally conceived in 2002 we expected to incur an Arena impairment charge which would be covered



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John Sharkey  
Chief Executive

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by the development gains arising from the connected west development site given that the 20 acre land value is carried on our balance sheet at £200. The Hydro, Car Park and west development site are interconnected in that the Car Park is needed for development and the development is needed to fund The Hydro which would not receive planning in the absence of a sufficiently coordinated campus plan.

The delay in taking the west development site to the market as a result of current property market conditions to ensure that we are achieving good asset value and not a fire-sale disposal, has necessitated the separation between the impairment charge and gain on the west development site disposal.

Nevertheless, I am pleased to report that our original impairment estimation is

significantly reduced and this principally arises from better than expected business plan projections for the Arena project which justifies a higher carrying value for The Hydro. This reduced charge also leaves the company positive both at net current assets and total assets totals. The charge is required under Financial Reporting Standard 11 which requires the carrying book value of an asset to be impaired to its recoverable amount irrespective of the company's intentions to hold The Hydro for the longer term. We have also taken the prudent decision to make this charge as early as possible. The business model for the enlarged business requires to be successful across a number of areas. We need to optimise bookings across all of our markets using all areas of our site – existing and new. We need to secure commercial partners across the Arena business and deliver great value and visitor experiences; and we need to manage the enlarged campus and keep our product and offering both up to date and continually refreshed.

I am pleased to say that our forward booking schedule looks good, not just on our Arena business but also on our

## Chief Executive's Review, cont...

conference business calendar and the anticipated business opportunities coming from enhanced availability look set to be captured.

Equally the Arena is attracting both firm bookings and enquiries across a number of areas. From 2013 onwards, we now have firm bookings for a number of varied entertainment events, the MOBO awards in 2013 and 2015, and the major sporting events previously mentioned. In addition, enquiries are progressing well for a number of award ceremonies, major iconic events and a plethora of entertainment events.

The Performing Rights Society (PRS) is the UK's society of songwriters, composers and music publishers. Their latest economic research suggests that the Scottish Arena market is under-trending the UK market as a whole. Normally this intelligence would be a source of concern however as we prepare to open The Hydro in 2013, having continually faced availability challenges for touring artists in our buildings this can

only be good news for our Hydro business when it opens.

In that regard I am also delighted that our groundwork for The Hydro business plan continues to advance. The "Top 100 Worldwide Entertainment Venues" is compiled by the leading industry publication Pollstar, and is based on attendance and the volume of tickets sold by arenas for concerts and special events. SECC has risen over the last three years from 45th in 2010, to 28th in 2011 to 13th in 2012 and this puts us right on track for achieving a top 5 place for the new Hydro.

Whilst the exhibition market is not without its challenges, we are currently looking at how we can build on the consumer exhibition programme within the venue with a view to realising the opportunities for international trade exhibitions in line with the emerging work of the Glasgow Economic Commission and the focus it will be placing on key sectors where the City has an international trade specialism.

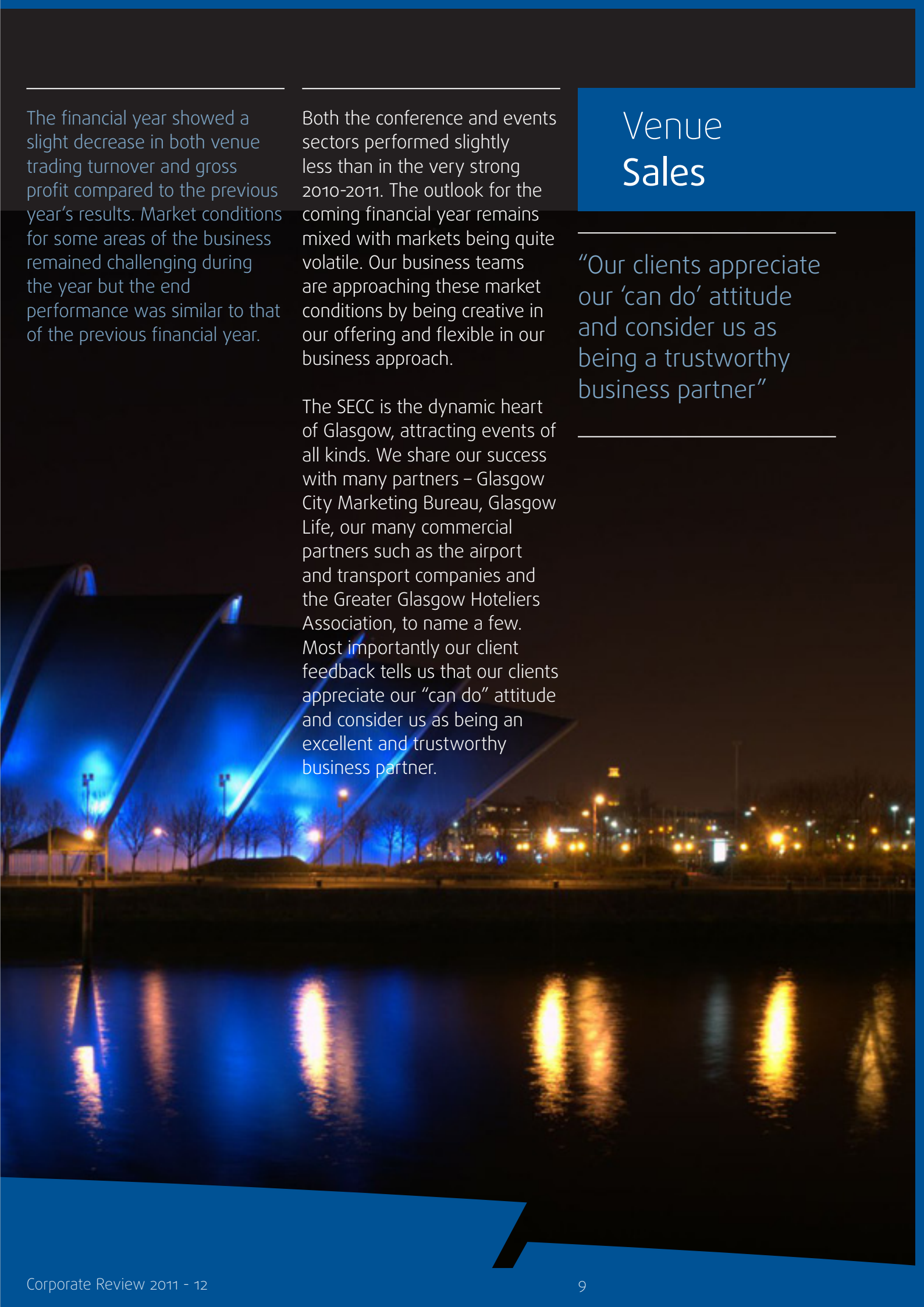
As noted in the Chairman's welcome, our progress with commercial partners and sponsors has gone extremely well and we see the opportunity for great programs with our respective partners which

will make The Hydro a great success and deliver value to their activation activities and strengthen their brand position.

In order to ensure that we have the right business fit for our enlarged business we have been reviewing it's structure and how it will best serve our markets, clients and customers in the future – in this regard we have started the journey to have an organisational structure which is optimized for the opening of The Hydro and our enlarged business.

The result will include a number of new appointments and an increased workforce, again another source of confidence for the years ahead and a beacon of corporate growth in the midst of the economic uncertainty which currently prevails over much of the UK economy.





The financial year showed a slight decrease in both venue trading turnover and gross profit compared to the previous year's results. Market conditions for some areas of the business remained challenging during the year but the end performance was similar to that of the previous financial year.

Both the conference and events sectors performed slightly less than in the very strong 2010-2011. The outlook for the coming financial year remains mixed with markets being quite volatile. Our business teams are approaching these market conditions by being creative in our offering and flexible in our business approach.

The SECC is the dynamic heart of Glasgow, attracting events of all kinds. We share our success with many partners – Glasgow City Marketing Bureau, Glasgow Life, our many commercial partners such as the airport and transport companies and the Greater Glasgow Hoteliers Association, to name a few. Most importantly our client feedback tells us that our clients appreciate our “can do” attitude and consider us as being an excellent and trustworthy business partner.

## Venue Sales

“Our clients appreciate our ‘can do’ attitude and consider us as being a trustworthy business partner”



# Exhibitions

## EXHIBITIONS AT A GLANCE

- 37 exhibitions  
(8% growth on the previous year)
- Public show attendance 323,573  
(39% increase on the previous year)
- Trade show attendance 13,665 (-64%)
- +1% turnover; -4% GP
- 24% of venue turnover
- 28% of venue gross profit





Sales levels remained similar to the previous financial year with "challenge" being the new norm. Margins have remained under pressure. During the year we were able to further strengthen our position as the leading Scottish exhibition venue whilst retaining a key player role in the United Kingdom exhibition sector. Although challenges remain for this sector we were able to launch a number of new public shows and have further strengthened our relationship with local and regional clients.

This year saw the inaugural hugely successful Scottish Ideal Homes Show which was staged by the award winning Media 10 organisers, attracting a tremendous 52,000 visitors. The overall number of shows grew by 8%, and attendance at our public shows grew by an enormous 39%, mostly attributable to the Scottish Ideal Home Show. The trade show sector did not perform as well as in the previous year with only 9 trade shows held.





# Conferences

## CONFERENCES AT A GLANCE

- 43 conferences (-25% on the previous year)
- 41,358 participants  
(-2% on the previous year)
- 186,798 delegate days (+2%)
- -6% turnover; -7% GP
- 36% of venue turnover
- 41% of venue gross profit



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The Conference Sector continued its strong general performance although it showed a slight decrease in sales compared to the previous year with turnover and gross profit down 7% and 8%. The total number of conferences was 43 during the year out of which 13 were international events. The national association and corporate sectors performed very well indeed and achieved excellent results.

The overall conference participation was 41,358 which was only slightly behind last year's 42,851 (down 3%).

Examples of successful conferences were the European Brewery Convention, the World Council of Credit Union Conference (WOCCU), the European Society of Osseointegration, Diabetes UK, the National Association of Schoolmasters and Union of Women Teachers and the American Society of Mechanical Engineers (ASME). The venue also hosted a number of corporate events.

During the year we were able to extend our reputation for excellence in the conference market. We further extend our risk sharing product ("The Glasgow Model") especially designed for national and international association clients together with the Glasgow City Marketing Bureau whereby we have become true stakeholders in our client's events. The "Glasgow Model" won recognition from our peers through us winning the ICCA Best Marketing Award together with our partners from Glasgow City Marketing Bureau. The SECC also won the "Best UK Venue 2012" accolade at the prestigious M&IT Awards in March 2012. Without doubt the SECC is both nationally and internationally recognised as a principal player in the highly competitive conference market and is known and recognised as an innovator in the market.





## Concerts and Events

### CONCERTS AND EVENTS AT A GLANCE

- 119 unique events over 207 open days
- 848,646 visitors (-13%)
- -7% turnover; -4% GP
- 40% of venue turnover
- 31% of venue gross profit





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The SECC is Scotland's largest indoor venue for public events. The live entertainment market remains buoyant and the right product certainly attracts major audiences to the venue. In total we were able to attract around 850,000 visitors to our concerts and events programme.

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Programming was once again widely diverse with acts such as Snow Patrol, X-Factor 2012, Florence & The Machine, Engelbert Humperdink and Katy Perry.

Our current focus is firmly on enhancing our concerts and events product to create an even better experience for our visitors. Demand for space remains extremely high to the point where we are unable to host some concerts and events because of scheduling challenges. The construction of The Hydro which will open later in 2013 will give us the necessary opportunity to grow our product portfolio.



# QD Events

## QD EVENTS AT A GLANCE

- 220,000 visitors
- 40 days of events
- 1196 exhibitors

QD Events operates as a fully-owned subsidiary of the SECC, creating and managing exhibitions both in-house and in other venues across the UK.

In 2011/12, the company produced nine large-scale events, retaining its position as Scotland's largest exhibition organiser, despite the challenging economic backdrop.

With seven out of the nine events consumer focused, this year has given a clear insight into what different consumer groups are willing to pay for opportunity, entertainment and experience. While the Scottish Caravan and Outdoor Leisure Show demonstrated a drop in attendance of 3,500 'day out' visitors, the Irn-Bru Carnival attracted almost 156,000 ride-goers – the highest in over two decades.

The Scottish Wedding Shows continue to thrive, despite having over forty competitive events around the country. With over 300 exhibitors participating at each event, the shows are described by exhibitors as the best all round 'shopping experience' for brides-to-be in the UK.

2011 saw the launch of the London Pet Show at Olympia: QD Events first fully-owned launch outside of Scotland. With queues of visitors around the venue before opening, the event attracted over 13,500 pet lovers and laid a strong foundation for development of the event going forward.

Following the discontinuation of our poorer performing shows we have now created space and an investment pool for the right opportunities which will fit with our core strategy. Next year will see the company continue to exploit trade exhibition opportunities, as well as realising new growth across the wedding, caravan and pet sectors.

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The SECC Box Office enjoyed another successful year, selling tickets to a diverse range of events both on the SECC campus and at other venues across the United Kingdom.

As part of our continued customer service and contact programme, we have migrated to a new cloud-based broadcasting environment, providing an integrated email, social, mobile and data analytics platform that is linked to our ticketing system.

We continue to invest and innovate in our ticketSOUP.com product; the coming year will see further investment in self-serve ticketing kiosks, telephony platforms to extend our existing self-serve offering, an access control solution for ticket management on campus and an iPhone application for management of events off campus.

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The ticketing market is changing dramatically with the introduction of a plethora of self-serve providers chasing the small- to mid-sized event market. At the top end, we continue to see the consolidation of distribution channels by stakeholders. The challenge for ticketSOUP.com is to remain flexible and competitive for the small to mid-sized market whilst still providing the robust and scalable infrastructure required for the top end.

The focus for ticketSOUP.com is to work with venues, event organisers and artists to deliver exemplary customer service. Our ethos is that the whole event experience begins with the purchase of a ticket.

## Box Office

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### BOX OFFICE AT A GLANCE

- 1,013,000 tickets sold
- 8% increase in ticket sales



**TICKETSOUP.COM®**



# Commercial

The Commercial team continued to make excellent progress this year. Building on the success of securing Scottish Hydro as the naming rights partner for 'The Hydro' and Coca-Cola as the soft drinks partner, further partner deals have now been agreed with contracts being finalised.

These are category exclusive deals in the following market sectors; beer and cider, banking, consumer electronics, public transport, salted snacks, security and information and communications technology. These partnerships will be announced shortly.

Our strategic partnership with AEG Worldwide has demonstrated the venue's commitment to this area of our business and has helped to deliver partnerships with some of the world's best known brands. Further potential partnerships are being discussed in other business sectors. We are confident that, aside from The O2 in London, The Hydro will become the most commercially successful venue in the UK.

Scottish Hydro ran a substantial and effective awareness campaign for The Hydro, reinforcing the name of the arena and its role as Scotland's new home of live entertainment. This was the start of its activation strategy for the partnership agreement.

An exciting range of VIP and hospitality offerings are being finalised for The Hydro which will provide entertainment opportunities not previously available in Glasgow and Scotland. These will be brought to the market early next year, if not before. A major external advertising site facing the expressway has now been delivered in collaboration with JC Decaux and is generating revenue. This is a welcome and stylish addition to the site infrastructure.

More and more of our commercial inventory will be allocated to our partners as we move towards the opening of The Hydro next year. The partnership deals are site wide so expect to see these brands throughout the campus.

In the meantime, experiential and event related marketing, ticket sponsorship, affiliate advertising on our web sites and client branding on e-communication all continued to produce significant levels of revenue and added to the experience of visiting the venue.

2011-12 brought to the SECC the usual diversity of events from Peter Kay to Katy Perry and from the European Society for Organ Transplantation to the BBC Good Food Show.

The SECC hosts between 200 and 300 events annually and in 2011-12 this resulted in occupancy of around 340 days of the year when build up, open and break down days are taken into account. The remaining days give us very short opportunities for major maintenance to building fabric and, essential services.

This high level of occupancy particularly in Hall 4, our largest hall, is one of the factors behind The Hydro, our new purpose built 12,000 seat entertainment arena. With construction of The Hydro progressing well, the Operations team along with our colleagues throughout the Company have started the process of developing the operational plan for the Hydro. This is a big task and it is being done via a series of micro-groups each focusing on specific areas of the business. This process will continue right through to opening time.

“The events world, as with many other areas of business, is constantly changing and we must be ready to meet new challenges”

Also, as we look forward to the opening of The Hydro next year, we are turning our attention to the existing SECC facilities and planning the shape of those facilities to meet the future business needs. The events world as with many other areas of business is constantly changing and we must be ready to meet new challenges.

We will be looking at our catering facilities, both customer facing and back-of-house, the flexibility of our exhibition spaces and the mix and quality of our conference facilities.

During 2011-12, we completed the refurbishment of Halls 4 and 5 toilets leaving only Hall 2 to be done in 2012-13. We also replaced the air conditioning system in the Seminar Suite, again demonstrating our commitment to maintaining the quality of the SECC facilities.

We are continually working to improve energy efficiency and the need for this is further emphasised by the Government CRC energy efficiency scheme which in 2012-13 will cost the Company £55,000 in purchase of credits.

Sustainability in waste management also continues to be high on our agenda. We undertook additional recycling trials in 2011-12 which we are confident will lead to a significant further reduction in waste to landfill in the near future.



## QD2 Project

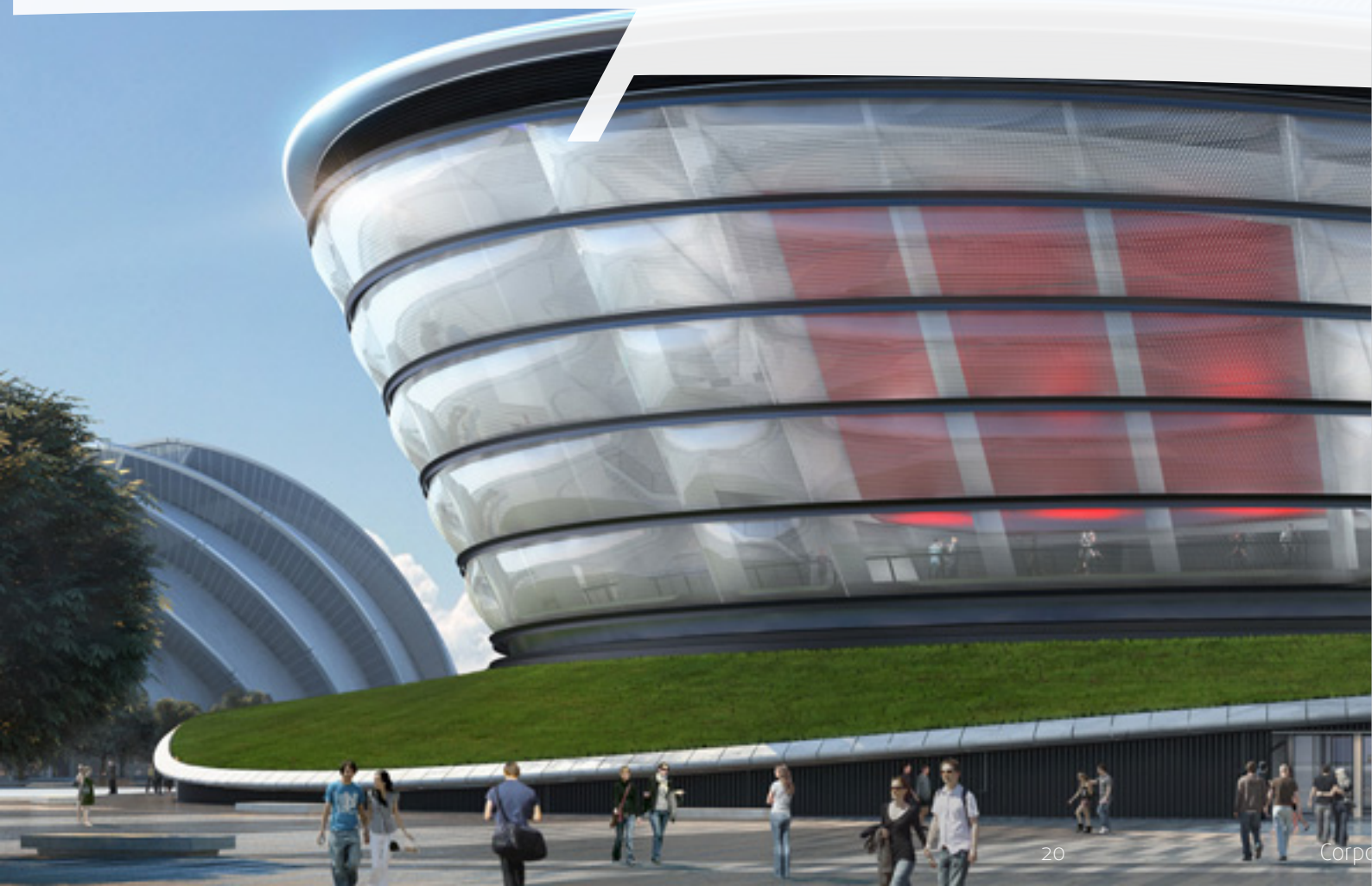
The next year will see the delivery of The Hydro and multi-storey car park – which, together, will have a transformational impact on our business.

The key milestones reached in the development of the QD2 Masterplan over the last year are evidence of our ability to deliver high-quality capital projects on plan against the wider backdrop of continued economic uncertainty.

The Hydro is forecast to be delivered on budget in September 2013; with strong interest already being shown by artists, promoters, commercial partners and the concert-going audience alike.

The piling and substructure contract was completed in late 2010, allowing construction of The Hydro to commence in February 2011; with Glasgow City Council formally adopting the surrounding roads.

Progress on site since works started has seen the erection of the concrete fin walls, the installation of the precast concrete terrace units and the start of both the buildings services and the 123m-diameter lattice steel roof. The Hydro's construction team gained national recognition earlier this year when the project was awarded the prestigious Gold Award at The Considerate Constructor's Awards; a reflection of the commitment



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the team has to Health and Safety and the focus on making sure customers remain unaffected by the project. The design of The Hydro is now complete and the Contractor has now procured all of the key works packages.

The construction of a new 1600-space multi-storey car park started in late 2011 and is on programme and inside budget. The car park will be opened to coincide with the opening of The Hydro.

The purchase of a site in Govan was completed in 2011, which will allow the future relocation of the Heliport and free up a valuable parcel of the West Development site. In addition

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to the West development site, there is space to the south and east of the Car Park site for potential Hotel and Office developments. We continue to monitor the situation, as these developments will be contingent upon lending activity increasing significantly beyond current levels in order to realise their full potential – we do however have funding interest for the Hotel site and are currently in constructive discussions.

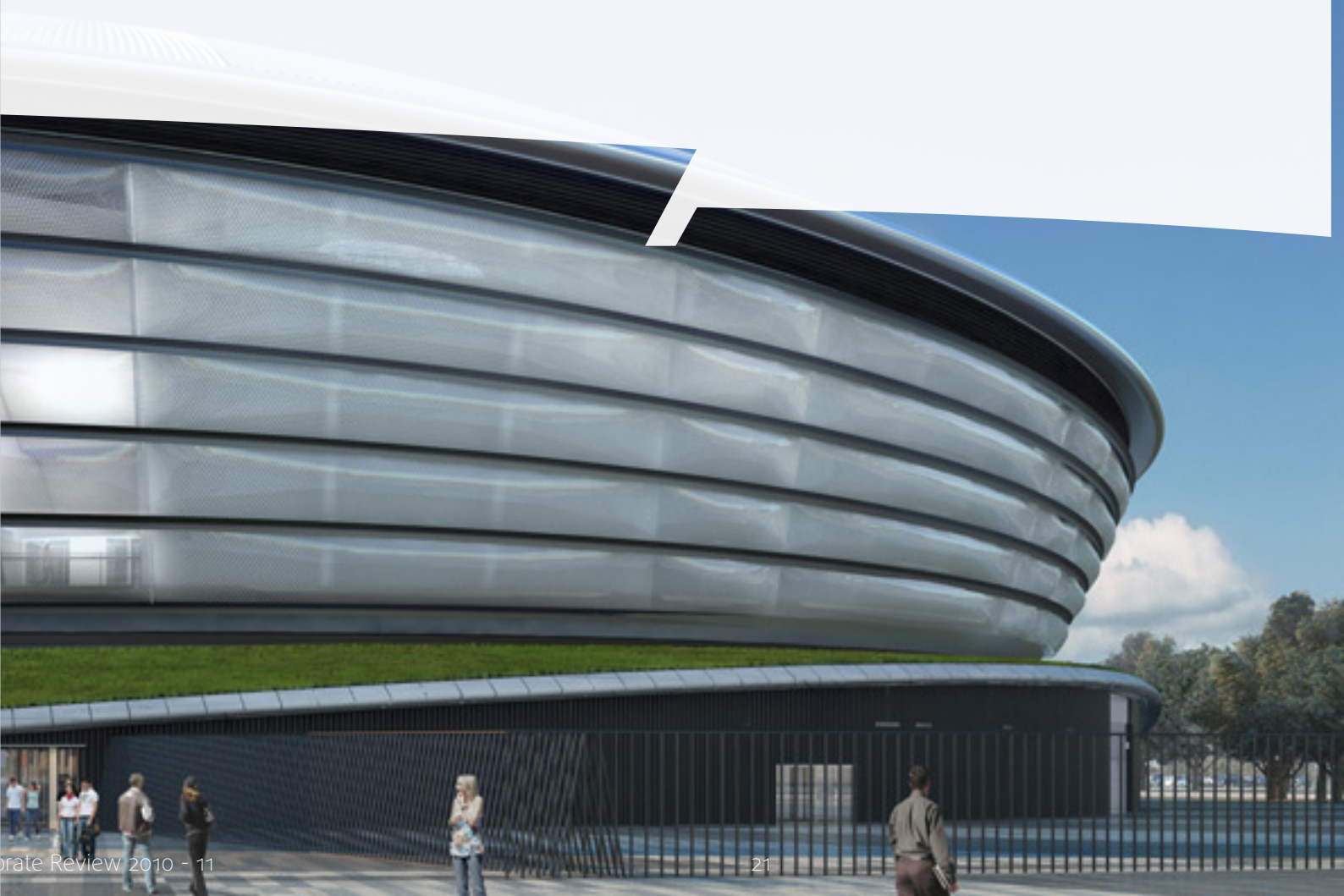
We are working with the City Council to review how the covered walkway linking our site to Finnieston might best be refurbished.

With our partners, Compass, we are looking at the feasibility of

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relocating our restaurant and bar within the concourse in order to maximise footfall and take full advantage of the opportunities The Hydro will bring.

The Hydro is a world-class opportunity and our aim in the next year is to be ready for it without deflecting the business from the day job of delivering fantastic conferences, exhibitions, concerts and events.





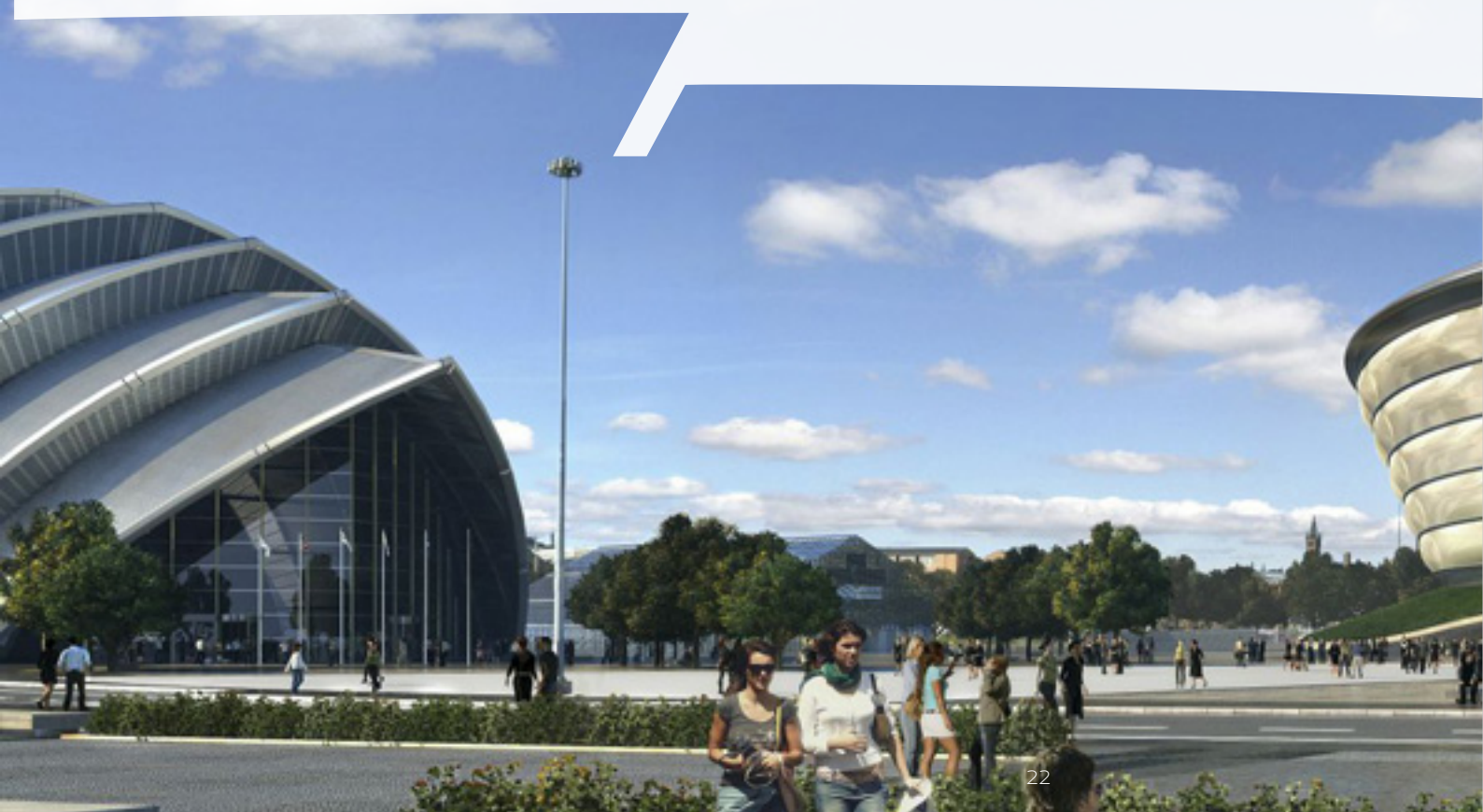
# Financial Review

The results for the year include the effect of the impairment review, undertaken as a result of the construction of The Hydro and the disposal of the car park site. The effect of these transactions left an expected retained loss for the year of £29.9m.

Trading performance for the year for the on-going business was satisfactory, expected and in line with prior year at £0.4m. The performance of the trading sectors is discussed below. Group turnover at £27.1m increased by 48% compared to the previous year. As part of the QD2 development programme SEC has undertaken the construction of a 1600 space multi storey car park on behalf of Canada Life. The increase in turnover includes £7.7m in respect of this contract. Conference turnover decreased

by 5%. The number of conferences increased from 23 to 25 and corporate meetings in the year decreased from 29 to 22. 11 International Conferences were held in the venue and the SECC continued to maintain its reputation in the UK conference market as a leading preferred venue. The exhibitions market remained difficult during the year with turnover in line with the previous year along with the number of events held.

It is a market which will continue to remain fragile as the economy recovers and discretionary consumer expenditure remains thin. The concert and events sector decreased turnover and margin by 8% over the year. Core events were steady however the previous financial year benefited from a 4 week musical run. The range of

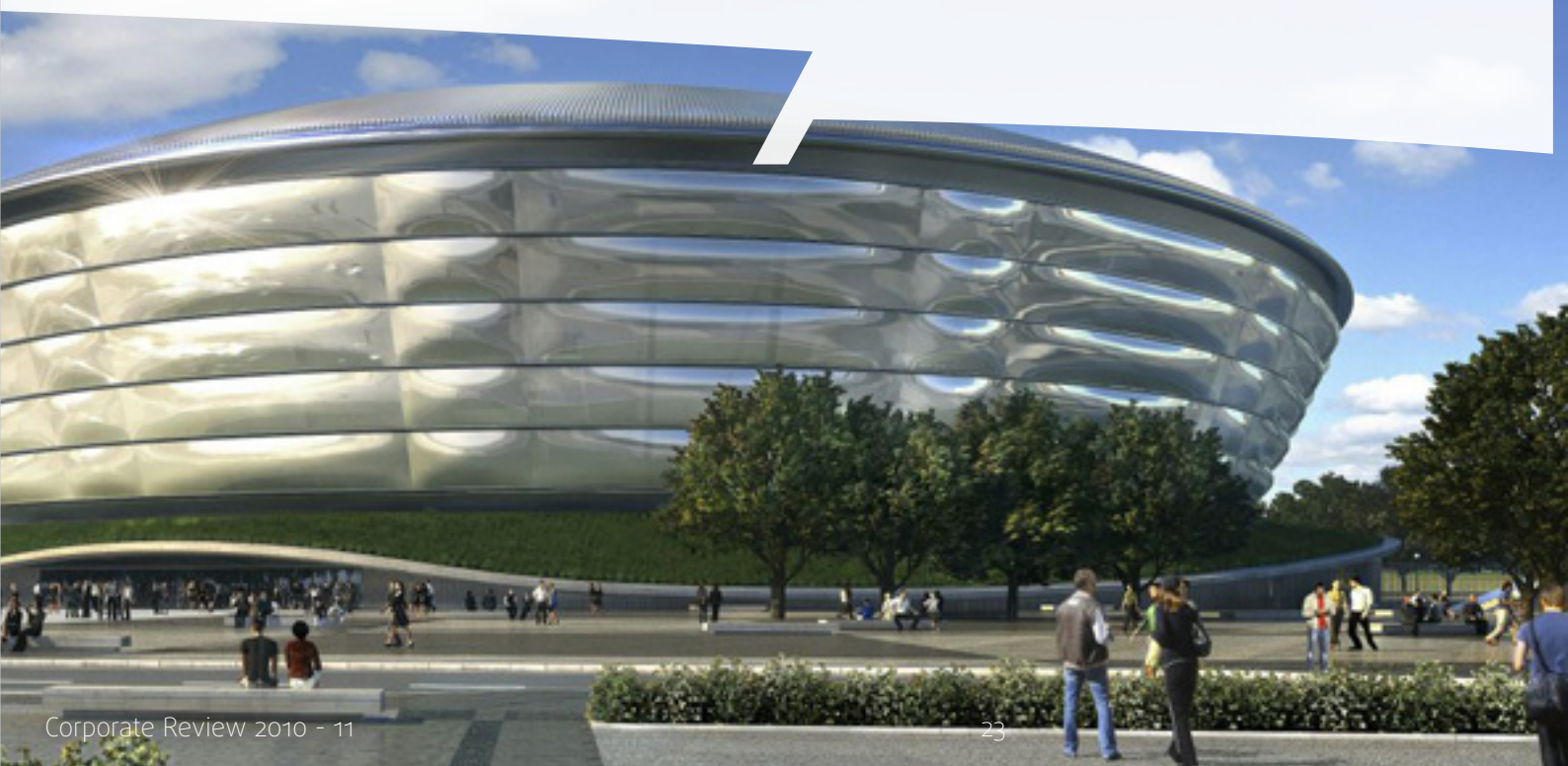


events held increased with content including musical and stage productions, comedy, live music and the second successful year of our pantomime offering which was one of the top 3 UK pantomimes. Similar to previous years, conference business restricted further growth in the concerts and events sector due to a lack of available space. Box Office turnover fell by 7% in the year. This was largely due to a reduced number of external events, in particular a quiet summer of stadium concerts. Good management however resulted in increases in gross margin on the previous year in the concerts and box office divisions. QD Events continued to operate its own shows and added 2 new shows to its portfolio during the year. Space availability, especially in Hall 4 the largest and most popular hall, continues to be the

bottleneck to further expansion. This will realistically remain until The Hydro is delivered and until then the company will focus on space and revenue maximisation of all halls as well as capitalising on other commercial revenue streams. The Group business model will undergo a number of changes as the campus evolves over the next few years and as the full impact of The Hydro business projects and funding plans permeate through the financial statements. Car parking revenue will be lost, interest will move from a receivable to a payable position as cash is committed to The Hydro and bank debt is also taken on. Initially the fixed costs of The Hydro will be absorbed by the business before the upside of anticipated trading receipts are realised. All of these impacts have been incorporated into

future profit, cash and balance sheet projections. The business objectives over the next few years will be aimed at meeting and exceeding the projections and expectations to ensure that The Hydro project delivers the benefits anticipated and that the Group continues to take its past successes into the future as a stronger and more successful campus and business.

Interest and investment income increased by 31% during the year. Longer term bank deposits helped to increase the interest received. Investment income reduced when compared with the previous year due to the timing of dividend payments. During the year the Group reinvested funds in FTSE tracker investments but only received one dividend due to the payment cycle.





Scottish Exhibition Centre Ltd  
Group Profit and Loss Account

Turnover

Operating turnover
Car Park construction
Total group turnover

Operating Costs

Pre impairment charge
Impairment charge

Total Group Operating Costs

Group Operating Loss

Gain /(Loss) on sale of fixed assets
Gain on sale of investments
Interest receivable
Investment Income
(Loss) / Profit On Ordinary Activities Before Taxation
Tax on (loss)/ profit on ordinary activities
(Loss) / Profit On Ordinary Activities After Taxation

Retained (Loss) / Profit For The Year

Attributable to:
Parent company
Subsidiaries

Year end  
31 March 2012

2012 £	2011 £
19,357,953	18,231,613
7,729,756	–
27,087,709	18,231,613
27,018,796	18,052,103
36,145,000	–
63,163,796	18,052,103
(36,076,087)	179,510
5,943,268	(2,964)
–	101,051
(30,132,819)	277,597
219,648	108,182
75,124	116,385
(29,838,047)	502,164
80,743	64,115
(29,918,790)	438,049
(29,918,790)	438,049
(29,646,399)	884,099
(272,391)	(446,050)
(29,918,790)	438,049

Group Statement of Total  
Recognised Gains and Losses

(Loss) / Profit For The Financial Year
Unrealised surplus on revaluation of investments
Total Recognised (Loss) / Gains Relating To The Year

Year end  
31 March 2012

2012 £	2011 £
(29,918,790)	438,049
123,108	–
(29,795,682)	438,049

## Scottish Exhibition Centre Ltd Group Balance Sheet

### Fixed Assets

Tangible Fixed Assets  
Investments

### Current Assets

Debtors  
Cash at bank and in hand

### Creditors

Amounts falling due within one year

### Net Current Assets

### Total Assets Less Current Liabilities

Provision For Liabilities And Charges

### Accruals And Deferred Income

Deferred grants

### Capital And Reserves

Equity share capital  
Capital Redemption Reserve  
Revaluation reserve  
Profit and loss account

### Total Shareholders' Funds

Year end  
31 March 2012

2012 £	2011 £
27,841,781	41,609,079
4,623,118	—
32,464,899	41,609,079
21,920,163	14,496,150
8,318,382	26,435,468
30,238,545	40,931,618
20,809,052	16,678,618
9,429,493	24,253,000
41,894,392	65,862,079
1,438,340	1,579,419
39,672,211	33,703,137
783,841	30,579,523
21,900,000	21,900,000
2,750,000	2,750,000
123,108	—
(23,989,267)	5,929,523
783,841	30,579,523

## Group Cash Flow Statement

Net cash inflow/(outflow) from operating activities  
Returns on investment and servicing of finance  
Corporation tax paid  
Capital expenditure net of grant receipts  
Receipt from sale of tangible fixed assets and investments

### Decrease in cash

Net funds at 1 April

### Net funds at 31 March

Year end  
31 March 2012

2012 £	2011 £
(4,324,786)	1,677,215
294,772	224,567
(136,050)	(79,725)
(21,158,881)	(3,818,265)
7,207,859	1,501,693
(18,117,086)	(494,515)
26,435,468	26,929,983
8,318,382	26,435,468



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