

THE NATIONAL EXHIBITION CENTRE (DEVELOPMENTS) plc

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015**

Registered Office:

**c/o legal Services
10 Woodcock Street
Birmingham
West Midlands
B7 4BL**

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NATIONAL EXHIBITION CENTRE (DEVELOPMENTS) plc
For the year ended 31 March 2015

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Registered Office:
NEC (Developments) plc
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NATIONAL EXHIBITION CENTRE (DEVELOPMENTS) plc

For the year ended 31 March 2015

STRATEGIC REPORT

The Directors present their Strategic report on the company for the year ended 31 March 2015.

Business review

Principal activities

The principal activity of the company was to raise finance, construct and operate exhibitions halls 17 to 20 ('the New Exhibition Halls') at the National Exhibition Centre, Birmingham ("the NEC site").

Business structure

The company was set up originally as a joint venture formed between Birmingham City Council ("BCC"), Emap Limited (formally Emap Business Communications Limited) and Birmingham Chamber of Commerce and Industry on 14 May 1997. On 26 March 2010 BCC acquired the shares and outstanding loan stock held by Emap Limited. On 10 September 2010 BCC acquired all the shares held by Birmingham Chamber of Commerce and Industry.

The company entered into a Management Agreement with National Exhibition Centre Limited ("NEC") to manage the New Exhibition Halls.

NEC makes payments to the company on or around 31 March and 30 September in each year, determined by reference to a share of income achieved less costs incurred in the operation of the NEC site as a whole, in accordance with the Management Agreement.

The Management Agreement, which was signed on 14 May 1997, remained in force together with BCC guarantee of the solvency of the Company until the sale of NEC was completed on 1 May 2015

The loss of the company for the financial year is £24k (2014: £24k loss). Fluctuations in revenue and expenditure reflect the cycle of exhibition activity and the funding obligations under the income sharing agreement required to finance the capital repayment of 'A' loan notes.

The company has net liabilities of £2,270k at the 31 March 2015 (2014: £2,246k).

Sale of NEC

At the balance sheet date NEC was 99.99% owned by BCC. In March 2014 BCC announced its intention to seek a buyer for the NEC, because in its view, private sector ownership of NEC will give it the best opportunity to fulfil its strategic potential.

On the 16 January 2015 BCC announced it had entered into a binding agreement to sell NEC to Nevada Bidco Limited.

The sale of NEC completed on 1 May 2015 when it was acquired by Nevada Bidco Limited, a wholly owned subsidiary of Nevada Midco Limited, which in turn is a wholly owned subsidiary of Nevada Topco Limited.

The following events and transactions in relation to the sale of NEC occurred on 1 May 2015:

1. The terms of the existing halls 17 to 20 lease between the company and BCC were varied for consideration from BCC of £120.6m; and
2. The halls 17 to 20 lease as varied was assigned to NEC for £21m. The management agreement between the company and NEC was terminated under the assignment.

Following the variation of the lease, the land and buildings book value was impaired to the £21m consideration received from NEC on assignment of the lease.

NATIONAL EXHIBITION CENTRE (DEVELOPMENTS) plc
For the year ended 31 March 2015

STRATEGIC REPORT – (Continued)

Principal risks

Liquidity

Company policy is to ensure continuity of available funding by active management of working capital. Liquidity risk is ultimately mitigated by the solvency guarantees provided by BCC.

Interest rate risk

The company finances its operations through a mixture of loan notes and debenture stock. All of the company's borrowings are in Sterling and therefore this eliminates any foreign currency risk. The company may borrow at both fixed and floating rates of interest. The company's policy is to keep a significant proportion of its borrowings at fixed rates of interest.

Development review and the future

On 1st May 2015, the business of the company was reorganised. Prior to this date, the principal activity of the company was that of owning and operating exhibition facilities. From 1st May 2015, the principal activity of the company is that of borrowing.

Capital and finance

The company has in issue 450 £1 Ordinary 'A' Shares, 125 £1 Ordinary 'B' Shares and 425 £1 Ordinary 'C' Shares owned by BCC, all of which are fully paid.

The company has in issue 100,000 £1 Preference Shares owned by BCC, all of which are fully paid.

The company has in issue and outstanding £73m 7.5625% Guaranteed Unsecured Loan Stock 2027 ('the Loan Stock'). The Loan Stock is constituted and secured by a Trust Deed dated 21 May 1997. The Loan Stock is listed on the London Stock Exchange and is guaranteed by BCC. The Loan Stock was issued at a discount price of £99.689 per £100 Loan Stock.

The company has in issue and outstanding £1,088,000 (2014:£1,328,000) £1 Unsecured 'A' Loan Notes at zero coupon to BCC. The Loan Notes are fully paid and repayable by the company in instalments commencing on 31 March 2014.



BY ORDER OF THE BOARD

Georgina Dean

Company Secretary

Address of Registered Office:

NEC (Developments) plc

C/O Legal Services

10 Woodcock Street

Birmingham

West Midlands

B7 4BL

21st September 2015

NATIONAL EXHIBITION CENTRE (DEVELOPMENTS) plc

For the year ended 31 March 2015

DIRECTORS REPORT

The Directors present their Annual report and the audited financial statements of the company for the year ended 31 March 2015. The registered number is 3301940.

General Information

National Exhibition Centre (Developments) plc, a company incorporated in United Kingdom, with registered address c/o legal services, 10 Woodcock Street, Birmingham, West Midlands. B7 4BL. The ultimate parent of the company is Birmingham City Council ("BCC"), a local authority in England and Wales.

Future Developments

Please refer to page 2 in the Strategic report for details of future developments.

Dividends and transfers to reserves

The Directors recommend that no dividend be declared in respect of the year ended 31 March 2015 (2014:£nil). The loss for the financial year of £24,400 (2014: loss £24,400) has been deducted from reserves.

Directors

The Directors of the company who served during the year and up to the date of signing the financial statements, all of whom were Non-Executive Directors, were:

- Paul Dransfield
- Peter Jones (appointed 8 May 2014)
- Mark Barrow (resigned 8 May 2014)

No emoluments were paid to the Directors of the company (2014:£nil).

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

Paul Dransfield

Paul Dransfield was appointed Deputy Chief Executive with Birmingham City Council on 1 February 2014. Paul joined the Council as Corporate Director of Resources in April 2007 and has previously held various posts with Derby City Council and Solihull Metropolitan Borough Council.

His other key appointments are:

- Director of Birmingham Airport Limited
- Director of Birmingham Lendlease Local Education Partnership
- Director of Paradise Circus Ltd Partnership
- Director of Finance Birmingham Limited

Peter Jones

Peter Jones is Birmingham City Council's Director of Property having joined the Council in 1991. He heads up Birmingham Property services, the City Council's in house property division.

His other key appointment is:

- Director of Millennium Point Property Limited
- Director of Paradise Circus Limited Partnership

NATIONAL EXHIBITION CENTRE (DEVELOPMENTS) plc
For the year ended 31 March 2015

DIRECTORS REPORT - (continued)

Directors (continued)

Statement of directors' responsibilities

The Directors are responsible for preparing the Strategic report, Directors report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 of the profit or loss of the company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure of information to auditors

In accordance with Section 418 Companies Act 2006, the Directors' Report shall include a statement, in the case of each director in office at the date the Directors' Report is approved, that:

- (a) so far as the Director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- (b) he has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Corporate governance

The company is exempt from compliance with the Combined Code under the provisions of The Stock Exchange Listing Rules as the company has only debt securities listed.

Going concern

After making appropriate enquiries, the Directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future, and have therefore prepared the financial statements on a going concern basis.

Employees

The company has no employees (2014: nil).

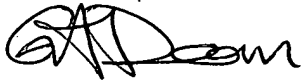
Independent auditors

A resolution to appoint Grant Thornton LLP as auditors to the company will be proposed at the annual general meeting.

NATIONAL EXHIBITION CENTRE (DEVELOPMENTS) plc
For the year ended 31 March 2015

DIRECTORS REPORT- (continued)

Directors (continued)



BY ORDER OF THE BOARD

Georgina Dean

Company Secretary
NEC (Developments) plc
C/O Legal Services
10 Woodcock Street
Birmingham
West Midlands
B7 4BL

21st september 2015

Independent auditors' report to the members of National Exhibition Centre (Developments) plc

Report on the financial statements

Our opinion

In our opinion, National Exhibition Centre (Developments) plc's financial statements, (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 March 2015 and of its loss and cash flows 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.

This opinion is to be read in the context of what we say in the remainder of this report.

What we have audited

National Exhibition Centre (Developments) plc's financial statements comprise:

- the balance sheet as at 31 March 2015;
- the profit and loss Account for the year then ended;
- the cash flow statement for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the Directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic report and the Directors report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of Directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the Directors

As explained more fully in the Statement of directors' responsibilities set out on page 4, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and ISAs (UK & Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

NATIONAL EXHIBITION CENTRE (DEVELOPMENTS) plc
For the year ended 31 March 2015

Independent auditors' report to the members of National Exhibition Centre (Developments) plc

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the Directors; and
- the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Annual report and financial statements (the "Annual report") to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



Mark Smith (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Birmingham
21st September 2015

NATIONAL EXHIBITION CENTRE (DEVELOPMENTS) plc

PROFIT AND LOSS ACCOUNT For the year ended 31 March 2015

	Note	2015 £000	2014 £000
Turnover	2	7,007	6,995
Administrative expenses	3	(1,246)	(1,235)
Operating profit		5,761	5,760
Interest receivable and similar income		-	1
Interest payable and similar charges	5	(5,785)	(5,785)
Loss for the financial year		(24)	(24)

There is no difference between the loss on ordinary activities before taxation and the loss for the financial year stated above and their historical cost equivalents.

The company has no recognised gains or losses other than the loss for the financial year and therefore no separate statement of total recognised gains and losses has been presented.

Movement Of Reserves

	2015 £000	2014 £000
At 1 April	(2,246)	(2,222)
Loss for the financial year	(24)	(24)
At 31 March	(2,270)	(2,246)

The above results relate solely to continuing activities.

NATIONAL EXHIBITION CENTRE (DEVELOPMENTS) plc

BALANCE SHEET as at 31 March 2015

	Note	2015 £000	2014 £000
Fixed Assets			
Tangible assets	7	68,610	68,610
Current Assets			
Debtors	8	2	6
Investments	9	-	689
Cash at bank and in hand		702	6
		704	701
Creditors amounts falling due within one year	10	(852)	(849)
Net Current Liabilities		(148)	(148)
Total Assets less Current Liabilities		68,462	68,462
Creditors amounts falling due after more than one year	11	(70,732)	(70,708)
Net Liabilities		(2,270)	(2,246)
Capital and Reserves			
Called up share capital	13	1	1
Profit and loss account		(2,271)	(2,247)
Total Shareholders' Deficit		(2,270)	(2,246)
Total Shareholders' Deficit			
Equity		(2,370)	(2,346)
Non-equity		100	100
	14	(2,270)	(2,246)

Signed on behalf of the Board on

Director

The financial statements on pages 8 to 18 were approved by the Board of Directors on 21st September 2015 and were signed on its behalf by:



21st September 2015

NATIONAL EXHIBITION CENTRE (DEVELOPMENTS) plc

CASH FLOW STATEMENT **For the year ended 31 March 2015**

	Notes	2015	2014
		£000	£000
Net Cash Inflow From Operating Activities	15	5,768	6,361
Returns On Investments And Servicing Of Finance			
Interest received		-	1
Interest paid		(5,521)	(5,521)
Net Cash Outflow From Returns On Investments And Servicing Of Finance		(5,521)	(5,520)
Net Cash Inflow Before Management Of Liquid Resources And Financing		247	841
Management Of Liquid Resources			
Decrease/(increase) in money market deposits		689	(595)
Net Cash Inflow/(Outflow) From Management Of Liquid Resources		689	(595)
Financing			
Repayment of Borrowings		(240)	(240)
Net Cash Outflow From Financing		(240)	(240)
Increase In Cash	16	696	6

The notes on pages 11 to 18 form part of these financial statements

NATIONAL EXHIBITION CENTRE (DEVELOPMENTS) plc
For the year ended 31 March 2015

NOTES TO THE FINANCIAL STATEMENTS

1. Principal accounting policies

The financial statements have been prepared in accordance with the Companies Act 2006 and applicable Accounting Standards in the United Kingdom have been consistently applied. A summary of the accounting policies is set out below.

Basis of accounting

The financial statements are prepared under the historical cost convention and on a going concern basis.

Going concern

The Directors believe that preparing the accounts on the going concern basis is appropriate due to the continued financial support of the ultimate parent company Birmingham City Council ("BCC").

Turnover

Turnover is attributable under a turnover sharing agreement based on revenue for the whole NEC site and this includes tenancy and ancillary sales generated from conferences, events and exhibitions. Revenue is recognised at the point revenue and the costs associated with the delivery of the services can be reliably measured. It is measured at the fair value of the consideration received or receivable.

Tangible fixed assets and depreciation

The cost of fixed assets comprises their purchase cost together with any incidental expenses of acquisition. The cost of the land lease premium has been capitalised as land. Buildings include all relevant expenditure incurred, including fixed plant.

Issue costs incurred in raising finance relating to the construction of a fixed asset were capitalised as part of the cost of the fixed asset. Net interest payable, including amortisation of guarantee fees, on such finance up to the completion of the construction period was capitalised as part of the cost of the fixed asset.

Depreciation is calculated to write off the cost less estimated residual value of fixed assets. The residual value of the land, buildings and plant and equipment is equal to the capitalised cost of the New Exhibition Halls of £68,610,000, resulting in a depreciation charge of nil (2014:£Nil).

Fixed asset investments

The investment reflects short term cash deposits held in low risk treasury investments and are carried at costs less provision for impairment. No provision for impairment has been provided at the year end.

Financial instruments

The company's financial instruments comprise borrowings, some cash and liquid resources and various items such as debtors and creditors that arise directly from its operations. The main purpose of these financial instruments is to finance the company's operations.

It is company policy that no trading in financial instruments shall be undertaken.

The main risks arising from the company's financial instruments are interest rate risk and liquidity risk. The Board reviews and agrees policies for managing each of these risks and those policies are summarised below. The policies have remained unchanged since 1 April 2001.

Interest rate risk

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

Liquidity risk

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

NATIONAL EXHIBITION CENTRE (DEVELOPMENTS) plc
For the year ended 31 March 2015

NOTES TO THE FINANCIAL STATEMENTS - (continued)

1. Principal accounting policies – (continued)

Power to amend financial statements

No one has the power to amend the financial statements after issue.

Taxation

The charge to tax is based on the results for the year as adjusted for items which are non-assessable or disallowed. It is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

2. Turnover

Turnover for the year ended 31 March 2015 and 2014 consisted entirely of sales made in the United Kingdom.

3. Administrative expenses

	2015	2014
	£000	£000
Auditors' remuneration - audit fees	6	6
NEC Ltd management fee	749	748
Other	491	481
	1,246	1,235

4. Directors' and employees' emoluments

No emoluments were paid to the Directors of the company (2014: £Nil) for services to this company.

The company has no employees (2014: nil).

5. Interest payable and similar charges

	2015	2014
	£000	£000
Interest on loans repayable in more than 5 years:		
7.5625% Guaranteed Unsecured Loan Stock 2027	5,521	5,521
Amortisation of guarantee fee (see note 11)	264	264
	5,785	5,785

6. Taxation

A charge to tax does not arise as the results for the year, after adjustments for items non-assessable or disallowed, is covered by accumulated trading losses and capital allowances.

NATIONAL EXHIBITION CENTRE (DEVELOPMENTS) plc
For the year ended 31 March 2015

NOTES TO THE FINANCIAL STATEMENTS - (continued)

7. Tangible fixed assets

	Land £000	Buildings £000	Plant & Equipment £000	Total £000
Cost :				
At 1 April 2014 and 31 March 2015	3,100	63,942	1,568	68,610

On 27 May 1997 the company entered into a lease with BCC for the land used in the construction of Halls 17 - 20 for consideration of £3,100,000. The Business review on page 1 includes reference to the impact on the lease of the sale of NEC on 1st May 2015. Included in Buildings are costs relating to exhibition halls 17 - 20 at the National Exhibition Centre, Birmingham, of which £5,786,455 comprises net interest capitalised.

8. Debtors

	2015 £000	2014 £000
Amounts falling due within one year:		
Amounts owed by group undertakings	1	6
Prepayments and accrued income	1	-
	2	6

9. Investments

	2015 £000	2014 £000
Money market investments:		
Short-term deposits	-	689

The Directors believe that the carrying value of the investments is supported by their underlying net assets.

10. Creditors – amount falling due within one year

	Note	2015 £000	2014 £000
Zero % Unsecured 'A' Loan Notes		240	240
Other creditors		601	600
Accruals and deferred income		11	9
		852	849

NATIONAL EXHIBITIONS CENTRE (DEVELOPMENTS) plc
For the year ended 31 March 2015

NOTES TO THE FINANCIAL STATEMENTS - (continued)

11. Creditors – amount falling due after more than one year

	Note	2015 £000	2014 £000
7.5625% Guaranteed Unsecured Loan Stock 2027	(a)	73,000	73,000
Less: Guarantee fee	(a)	(7,932)	(7,932)
Guarantee fee amortised brought forward	(a)	4,452	4,188
Guarantee fee amortised during the period	(a)	264	(3,480)
		69,784	69,520
Zero % Unsecured 'A' Loan Notes	(b)	848	1,088
100,000 Preference shares of £1 each	(c)	100	100
		70,732	70,708

- a) On 21 May 1997, the company issued £73m 7.5625% Guaranteed Unsecured Loan Stock 2027 ('the Loan Stock') at a discount price of £99.689 per £100 Loan Stock. The discount amounted to £227,000 and this was capitalised within fixed assets.

The Loan Stock is constituted and secured by a Trust Deed dated 21 May 1997. The Loan Stock is listed on the London Stock Exchange and is guaranteed by BCC.

The guarantee fee paid to BCC is being amortised on a straight line basis until expected repayment of the Loan Stock.

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

Early repayments of £832,000 have been made, leaving the total balance outstanding at the year end of £1,088,000 (2014 £1,328,000).

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

12. Financial instruments

Interest rate risk profile of financial assets and liabilities.

Financial assets

The company has short term Sterling deposits of £Nil (2014: £689,241) that earn interest at a floating rate based on the prevailing bank base rate.

As set out in the Strategic report on page 1, the company has an undertaking that BCC shall pay upon termination of the lease to the company a sum equal to the lower of the Loan Stock outstanding at that date and the cost of the premises disclosed in the company's balance sheet as at 31 March 1999 of £68,635,000. The Business review on page 1 includes reference to the impact on fixed assets of the sale of NEC on 1st May 2015. Following the variation of the lease on 1st May 2015, the land and buildings book value was impaired to the £21m consideration received from NEC on assignment of the lease

NATIONAL EXHIBITIONS CENTRE (DEVELOPMENTS) plc
For the year ended 31 March 2015

NOTES TO THE FINANCIAL STATEMENTS (continued)

12. Financial instruments (continued)

Financial liabilities

The interest rate profile of the company's financial liabilities at 31 March 2015 was:

	Fixed Rate £000	No Interest £000	Non-equity Shares £000	Total £000
Borrowings (Sterling)				
2015	73,000	1,088	100	74,188
2014	73,000	1,328	100	74,428

	Fixed rate financial liabilities		Financial liabilities on which no interest is paid Years
	Weighted average interest rate %	Weighted average period to which rate relates Years	
Borrowings (Sterling)			
2015	7.56	11	9
2014	7.56	12	10

The preference shares do not carry any rights to receive dividends or to participate in any profits of the company. As these shares do not have a maturity date, in order to prevent distortion of the 'weighted average period to maturity' figure, they have been excluded from the calculation.

Fair values of financial assets and liabilities

Market values have been used to determine fair values.

	2015		2014	
	Book value £000	Fair value £000	Book value £000	Fair value £000
Cash and short term deposits	702	702	695	695
Short and long term borrowings	(74,088)	(91,818)	(74,328)	(83,128)
Non-equity shares	(100)	(100)	(100)	(100)
	(73,486)	(91,216)	(73,733)	(82,533)

Maturity profile of financial liabilities

	2015 £000	2014 £000
In one year or less	240	240
In more than 1 years but not more than 2 years	240	240
In more than 2 years but not more than 5 years	608	720
In more than 5 years	73,000	73,128
Non-equity shares - no maturity date	100	100
	74,188	74,428

Borrowing facilities

The company has no un-drawn committed borrowing facilities (2014: £nil).

NATIONAL EXHIBITION CENTRE (DEVELOPMENTS) plc
For the year ended 31 March 2015

NOTES TO THE FINANCIAL STATEMENTS - (continued)

13. **Called up share capital**

Authorised

		2015	2014
	Note	£	£
450 Ordinary 'A' shares of £1 each	(a)	450	450
125 Ordinary 'B' shares of £1 each	(a)	125	125
425 Ordinary 'C' shares of £1 each	(a)	425	425
Total Ordinary Shares		1,000	1,000
100,000 Deferred shares of £1 each	(b)	100,000	100,000
		101,000	101,000

Allotted, called up and fully paid

		2015	2014
	Note	£	£
450 Ordinary 'A' shares of £1 each	(a)	450	450
125 Ordinary 'B' shares of £1 each	(a)	125	125
425 Ordinary 'C' shares of £1 each	(a)	425	425
Total Ordinary Shares		1,000	1,000

- a) The 'A', 'B' and 'C' Shares are separate classes of shares and carry the rights to appoint and remove Directors. The 'B' Shares do not carry the right to participate in the profits of the company or the assets of the company available for distribution amongst members but in all other respects the 'B' Shares rank pari passu in all respects as Ordinary Shares. BCC holds all the Ordinary Shares. All shares were issued for cash at par.
- b) The Deferred Shares carry the right to a dividend in accordance with the Articles of Association. On liquidation or return of capital, holders of Deferred Shares will receive £1 for each share held, after payments to Preference and Ordinary Shareholders have been satisfied.

Holders of Deferred Shares do not have the right to attend or vote at any General Meeting of the company. BCC holds all the shares.

NATIONAL EXHIBITION CENTRE (DEVELOPMENTS) plc
For the year ended 31 March 2015

NOTES TO THE FINANCIAL STATEMENTS - (continued)

14. **Reconciliation of the movement in shareholders' deficit**

	2015	2014
	£000	£000
Opening shareholders' deficit	(2,246)	(2,222)
Loss for the financial year	(24)	(24)
Closing shareholders' deficit	(2,270)	(2,246)

15. **Reconciliation of operating profit to net cash inflow from operating activities**

	2015	2014
	£000	£000
Operating profit	5,761	5,760
Decrease in debtors	5	4,094
Decrease/(increase) in creditors	2	(3,493)
Net Cash Inflow from operating activities	5,768	6,361

16. **Reconciliation of net cash inflow to movement in net debt**

	2015	2014
	£000	£000
Increase in cash in the year	696	6
Amortisation of guarantee fee	(264)	(264)
Cash (outflow)/ inflow from movements in liquid resources	(689)	595
Repayment of borrowings	240	240
Movement in Net Debt in the year	(17)	577
Net debt brought forward	(70,253)	(70,830)
Net Debt Carried Forward	(70,270)	(70,253)

Analysed in balance sheet:	2015	2014
	£000	£000
Investments	-	689
Cash at bank and in hand	702	6
Creditors - amounts falling due within one year	(240)	(240)
Creditors - amounts falling after more than one year	(70,732)	(70,708)
	(70,270)	(70,253)

NATIONAL EXHIBITION CENTRE (DEVELOPMENTS) plc
For the year ended 31 March 2015

NOTES TO THE FINANCIAL STATEMENTS - (continued)

17. Related party transactions

On 14 May 1997, the company signed a Management Agreement with NEC for NEC to manage the New Exhibition Halls (17 to 20). The Business review on page 1 includes reference to the impact on the Management Agreement of the sale of NEC on 1st May 2015.

BCC is the ultimate parent of the company and of NEC.

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

During the year, the company entered into the following transactions, in the ordinary course of business with NEC:

	2015	2014
	£000	£000
Sales	7,007	6,995
Purchases	1,235	1,223
Amounts due from related party	1	6

18. Ultimate parent

The Directors regard BCC, a local authority in England and Wales, as the ultimate parent of the company. A copy of the consolidated financial statements at 31 March 2015 are available from www.birmingham.gov.uk.