

**London International Exhibition Centre
Plc**

Report and Financial Statements

Period Ended

31 January 2005



LONDON INTERNATIONAL EXHIBITION CENTRE PLC

Report and financial statements for the 14 month period ended 31 January 2005

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Directors

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Directors

The Rt Hon The Lord King of Bridgewater CH	Augustus Ralph Marshall
Mohamed Shahrin Merican	Peter Chong Leng Ang
William James Buchan *	Chan Chee Beng (alternate)
Timothy John Beswick *	Alan Jack Cole
Kevin Leslie Murphy *	David Shipley

* Executive director

Secretary and registered office

John Damian Barber, 115 Park Street, London, W1Y 4DY.

Company number

3458317

Auditors

PricewaterhouseCoopers LLP, First Point, Buckingham Gate, Gatwick, RH6 0PP.

LONDON INTERNATIONAL EXHIBITION CENTRE PLC

Chairman's statement

2004 marked most encouraging progress for ExCel. The company achieved its first key milestone of a positive operating cashflow and was ahead of budget. ExCel's status as London's leading Exhibition, Conference and Events Centre has been further established and recognition of the quality of the facilities on offer has made ExCel the venue of choice for all manner of events. In January 2004, the inaugural hosting of the Schroders London International Boat Show was a particular landmark and recognised as an outstandingly successful event.

The campus has further matured with the opening of the Novotel and Ibis hotels. These two new hotels, together with the Ramada and Travel Inn which opened last year, the Sunborn Yacht hotel and the new serviced apartments, now offer an outstanding range of accommodation at ExCel, which is increasingly appreciated by organisers, exhibitors and visitors from home and overseas. Additionally, the catering and refreshment outlets on site have undergone a major overhaul to improve further our visitor experience.

This year has seen the establishment of two business divisions within the company: the Exhibitions division and the Conference and Events division. This equips us to better meet the market for each with a dedicated team. Kevin Murphy, our Deputy CEO, also became MD of the Exhibitions division while the company welcomed the arrival of Vanessa Cotton as MD of the Conference and Events division. With the completion of the remodelled Platinum Suite last summer we are now expecting an increasing contribution from our Conferences and Events business.

ExCel continues to rise to the challenges presented and I would like on behalf of the Board to record our appreciation to Jamie Buchan and all the ExCel team for their hard work and dedication throughout the past 14 months. It is this dedication and commitment to success that gives me great encouragement for the continued future progress of ExCel.

The Rt Hon The Lord King of Bridgwater CH
Chairman

10 March 2005

LONDON INTERNATIONAL EXHIBITION CENTRE PLC

Corporate governance

Although London International Exhibition Centre Plc is not listed on the London Stock Exchange its Bonds are listed on the Luxembourg Stock Exchange. The board recognises its responsibilities to maintain high standards of corporate governance throughout the company. Consequently the company policy is to conform, in part, with the provisions set out in the New Combined Code, which was issued in July 2003.

Directors and Board responsibilities

The Board is accountable to the company's shareholders for good governance. The Board currently consists of three executive and seven non-executive directors (of which one is an alternate director). These directors possess an appropriate level and range of business experience that is essential to effectively manage a company of this size and complexity.

The non-executive directors are independent of management and free of any relationship which could materially interfere with the exercise of their independent judgement, save where there exist specific relationships with certain shareholders. They are not eligible to participate in the company share schemes or long term incentive plans. Their interests in the shares of the parent company are shown in its directors' report. The non-executive directors exercise independent judgement on the Board and they monitor the performance of the company and its executive management.

The Board is responsible to shareholders for the proper management of the company and meets at least four times each year. The Board's responsibilities cover key areas of the company's affairs and the formal schedule of matters reserved for the decision of the Board includes the definition of overall company strategy and approval of the financial statements, finance policy, budgets and major capital expenditure proposals. The requirement for Board approval on these matters is communicated to senior management.

To enable the Board to function effectively and directors to discharge their responsibilities, full access is given to all relevant information. In the case of Board meetings this consists of a comprehensive set of papers, including regular business progress reports and discussion documents regarding specific matters.

All directors may seek the advice of the company secretary and independent professional advice in the furtherance of their duties at the company's expense. The company secretary is charged by the Board with ensuring that Board procedures are followed.

LONDON INTERNATIONAL EXHIBITION CENTRE PLC

Corporate governance (*Continued*)

Remuneration committee and directors' remuneration

The remuneration committee, made up of The Rt Hon The Lord King of Bridgwater CH, Mohamed Shahrin Merican, Alan Jack Cole and David Shipley meet as required during the year to approve the total remuneration and reward packages of the executive directors.

Audit Committee

The Audit Committee, which comprises all the non-executive directors, plans to meet at least two times a year. The Audit Committee reviews the adequacy of the company's risk management and internal control systems, accounting policies and compliance with applicable accounting standards. The Audit Committee also considers the appointment of the external auditor and setting of audit fees. The Finance Director and external auditors are invited to attend its meetings. .

The Audit Committee is authorised by the Board to investigate any activity within its terms of reference and obtain outside legal or other independent professional advice as necessary. The external auditors and Board members are afforded the opportunity for separate meetings with the Audit Committee. The Audit Committee keeps the scope and cost effectiveness of the external auditor under review. The independence and objectivity of the external auditors is also considered on a regular basis.

Audit and internal control

The responsibilities of the directors in connection with the financial statements are explained in the directors' report.

The corporate governance disclosures in this report focus on a review of the effectiveness of internal financial controls. The Board of directors has overall responsibility for ensuring that the company maintains adequate systems of internal control (both financial and non-financial).

The directors are responsible for the company's system of internal financial control, which is designed to provide reasonable but not absolute assurance against material misstatement or loss. Key procedures are as follows:

- (a) An organisation structure is in place which clearly defines responsibilities for accounting, taxation, treasury, legal and company secretarial functions.
- (b) The company prepares a detailed formal budget which is approved by the Board. Results for the company are reported against this budget to the Board.
- (c) The company has clearly defined guidelines for capital expenditure, these include annual budgets, detailed appraisal and review procedures and levels of authority. All significant expenditure requires board approval.

LONDON INTERNATIONAL EXHIBITION CENTRE PLC

Corporate governance (*Continued*)

Going concern

The directors, having made appropriate enquiries, believe that the Company has adequate resources to continue in operational existence for the foreseeable future. They continue to adopt the going concern basis in preparing the financial statements.

LONDON INTERNATIONAL EXHIBITION CENTRE PLC

Report of the directors for the 14 month period ended 31 January 2005

The directors present their report together with the audited financial statements for the period ended 31 January 2005.

Results and dividends

The profit and loss account is set out on page 11 and shows the result for the period.

The directors do not recommend the payment of a dividend (2003: £nil).

Principal activities, trading review and future developments

The principal activities of the company comprise the operation of the ExCeL Exhibition and Conference Centre based at the Royal Victoria dock in London together with associated property developments.

ExCeL enjoyed a very satisfactory period to 31st January 2005, firmly establishing itself as London's premier venue. ExCeL hosted a wide range of trade, consumer and corporate events as well as conferences. In particular Hotelympia and the London International Boat Show successfully relocated from Earls Court during the year and ExCeL also announced the transfer of the London Book Fair from Olympia in 2006.

As a result of these wins, ExCeL now hosts 9 of the top 10 London based trade fairs and sees considerable future scope for further strengthening of its show portfolio.

The development of the ExCeL campus managed by the company continues with vigour. A further 530 hotel bedrooms were added on the site in 2004 bringing the total number of on-site rooms to approximately 1500.

LONDON INTERNATIONAL EXHIBITION CENTRE PLC

Report of the directors for the 14 month period ended 31 January 2005 *(Continued)*

Directors

The directors of the company during the year and to the date of this report were:

The Rt Hon The Lord King of Bridgewater CH (Chairman)

William James Buchan

Timothy John Beswick

Kevin Leslie Murphy

Alan Jack Cole

David Shipley

Mohamed Shahrin Merican

Augustus Ralph Marshall

Peter Chong Leng Ang

Chan Chee Beng (Alternate)

None of the other directors have any interest in the share capital of the company.

Directors interests in the shares of the parent company, London International Exhibition Centre Holdings Limited, are shown in the financial statements of that company.

William James Buchan, Timothy John Beswick, and Kevin Leslie Murphy are the only executive directors of the company. All other directors at the period end and to the date of this report are non executive directors.

LONDON INTERNATIONAL EXHIBITION CENTRE PLC

Report of the directors for the 14 month period ended 31 January 2005 (*Continued*)

Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which 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 year. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departure disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

Employees

The company wholeheartedly supports the principle of equal opportunities in employment and opposes all discrimination on the grounds of colour, race, nationality, ethnic origin, creed, sex, sexual orientation, marital status or disability.

Any employee who becomes disabled whilst employed by the company is encouraged to remain in the company's employment, in the same job if this is practicable. If a change of job is necessary, such an employee is considered for any suitable alternative work which is available, and any necessary training is arranged.

Where practicable, disabled employees are treated equally with all other employees in respect of their eligibility for training, career development and promotion.

Employee involvement

The company has well established communication and consultation procedures with all employee groups. These continually evolve to meet the changing needs of the business and are considered valuable by both management and staff.

LONDON INTERNATIONAL EXHIBITION CENTRE PLC

Report of the directors for the 14 month period ended 31 January 2005 (*Continued*)

Creditor payment policy

The company's creditor policy is to fix terms of payment when agreeing the conditions of each business transaction, to ensure that the supplier is aware of those terms and to abide by the agreed terms of payment. As at 31 January 2005 trade creditors represented 30 days of supplies (2003 – 30 days).

Charitable donations

During the year the company made charitable donations of £6,195 (2003 - £670).

Auditors

During the period, the directors appointed PricewaterhouseCoopers LLP, as auditors to the company. PricewaterhouseCoopers LLP have expressed their willingness to accept formal appointment at the next annual general meeting.

By order of the Board

W J Buchan

Director

10 March 2005

LONDON INTERNATIONAL EXHIBITION CENTRE PLC

Report of the independent auditors

Independent auditors' report to the members of London International Exhibition Centre Plc

We have audited the financial statements which comprise the profit and loss account, the balance sheet, the cash flow statement, the note of historical cost profits and losses and the related notes.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board. This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, 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.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

We read the other information contained in the annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. The other information comprises only the chairman's statement, the Corporate Governance statement and the report of the directors.

Basis of audit opinion

We conducted our audit in accordance with auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

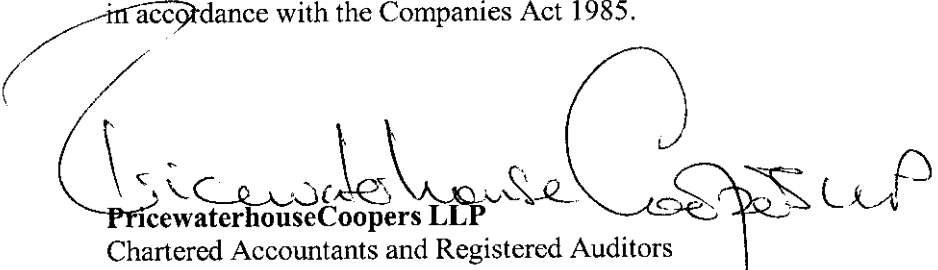
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

LONDON INTERNATIONAL EXHIBITION CENTRE PLC

Report of the independent auditors (*Continued*)

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 January 2005 and of its loss and cash flows for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers LLP

Chartered Accountants and Registered Auditors
Gatwick

10 March 2005

LONDON INTERNATIONAL EXHIBITION CENTRE PLC

Profit and loss account for the 14 month period ended 31 January 2005

	Note	Period Ended 31 Jan 2005 £'000	Year Ended 30 Nov 2003 £'000
Turnover	2	30,134	17,371
Administrative expenses		36,903	30,404
Operating loss	5	(6,769)	(13,033)
Profit from sale of fixed assets		4,827	3,533
Interest receivable and similar income	4	808	471
Interest payable and similar charges	4	(7,540)	(6,600)
Loss on ordinary activities before and after taxation	6,13	(8,674)	(15,629)

All amounts relate to continuing activities.

The company has no recognised gains or losses other than the results for the period as set out above.

The notes on pages 15 to 30 form part of these financial statements.

LONDON INTERNATIONAL EXHIBITION CENTRE PLC

Note of historical cost profits and losses for the 14 month period ended 31 January 2005

	Note	Period Ended 31 Jan 2005 £'000	Year Ended 30 Nov 2003 £'000
Reported loss on ordinary activities before and after taxation		(8,674)	(15,629)
Excess depreciation on revaluation	13	175	165
Total historical cost loss on ordinary activities before and after taxation		(8,499)	(15,464)

The notes on pages 15 to 30 form part of these financial statements.

LONDON INTERNATIONAL EXHIBITION CENTRE PLC

Balance sheet at 31 January 2005

	Note	31 Jan 2005 £'000	31 Jan 2005 £'000	Restated 30 Nov 2003 £'000	Restated 30 Nov 2003 £'000
Fixed assets					
Tangible assets	7		202,345		191,429
Current assets					
Debtors – due within one year	8	8,777		6,367	
Debtors – due after more than one year	8	-		943	
Bank deposits and bonds - restricted	9	8,974		17,230	
		17,751		24,540	
Creditors: amounts falling due within one year	10	21,950		16,869	
Net current (liabilities)/assets			(4,199)		7,671
Total assets less current liabilities			198,146		199,100
Financed by:					
Creditors: amounts falling due after more than one year					
Non-convertible debt	11	140,914		133,374	
Other	11	11,250		11,070	
			152,164		144,444
Capital and reserves					
Called up share capital	12	72,233		72,233	
Share premium		40,383		40,383	
Revaluation reserve	13	5,447		5,622	
Capital contribution	13	9,992		9,992	
Profit and loss account	13	(82,073)		(73,574)	
Shareholders' funds - equity	14		45,982		54,656
			198,146		199,100

The financial statements were approved by the Board on 10th March 2005.

W J Buchan
Director

The notes on pages 15 to 30 form part of these financial statements.

LONDON INTERNATIONAL EXHIBITION CENTRE PLC

Cash flow statement for the 14 month period ended 31 January 2005

	Note	Period ended 31 Jan 2005 £'000	Restated Year ended 30 Nov 2003 £'000
Net cash inflow / (outflow) from operating activities	16	1,682	(6,271)
Returns on investments and servicing of finance	17	817	(497)
Capital expenditure and financial investment	17	(10,755)	(1,456)
Cash outflow before use of liquid resources and financing		(8,256)	(8,224)
Management of liquid resources	17	14,719	(14,719)
Financing	17	-	22,500
Increase/(decrease) in cash	18,19	6,463	(443)

The notes on pages 15 to 30 form part of these financial statements.

LONDON INTERNATIONAL EXHIBITION CENTRE PLC

Notes forming part of the financial statements for the 14 month period ended 31 January 2005

1 Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of the multi storey car park, and are in accordance with applicable accounting standards.

Going concern

The directors, having made appropriate enquiries, believe that the company has adequate resources to continue in operational existence for the foreseeable future. They continue to adopt the going concern basis on preparing the financial statements.

The following principal accounting policies have been applied:

Turnover

Turnover represents sales to third parties, net of value added tax. Turnover in respect of events is recognised at the commencement of the event. Turnover received from concessionary outlets represents commission only.

Deferred income

Deferred income represents monies paid to the company in respect of events to be held after the balance sheet date.

Fixed assets

Costs in relation to the development of the ExCeL Exhibition Centre are capitalised and included under the heading 'ExCeL Exhibition Centre'. The multi-storey car park, which is not an integral part of the ExCeL Exhibition Centre, is included at valuation at existing use.

Depreciation is provided to write off the cost, less estimated residual values, of all other fixed assets over their expected useful lives. It is calculated at the following annual rates:

Motor vehicles	-	25% on cost
Fixtures and fittings	-	20% on cost
Computer equipment and software	-	between 20% and 50% on cost
Office equipment	-	25% on cost
Plant and machinery	-	4% on cost
Buildings	-	2% on cost

LONDON INTERNATIONAL EXHIBITION CENTRE PLC

Notes forming part of the financial statements for the 14 month period ended 31 January 2005(*Continued*)

1 Accounting policies (*Continued*)

Bond issue expenses

Costs incurred on the issue of Bonds were netted off against the proceeds of the Bond issue and included within creditors.

These expenses along with any discount or premium on the issue of the Bonds, are amortised over the term of the debt so that the amount charged is at a constant rate on the carrying value. The amortisation charge was capitalised within the ExCeL Exhibition Centre in the period up to completion of the exhibition centre; thereafter it is charged to the profit and loss account.

Interest payable and receivable

Interest payable that was directly attributable to the construction of the ExCeL Exhibition Centre was capitalised as part of the cost of this asset during the period of construction. Capitalisation of finance costs ceased when the ExCeL Exhibition Centre was completed. Interest receivable is taken directly to the profit and loss account.

Financial instruments

Short term debtors and creditors are not treated as financial assets and liabilities in relation to FRS 13 disclosure requirements.

Leased assets

Where assets are financed by leasing agreements that give rights approximating to ownership ('finance leases'), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to the profit and loss account.

Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

All other leases are treated as operating leases. Their annual rentals are charged to the profit and loss account on a straight-line basis over the term of the lease.

Pension costs

Contributions to the company's defined contribution pension scheme are charged to the profit and loss account in the year in which they become payable. The company also makes contributions to directors' personal defined contribution schemes.

Liquid resources

Management of liquid resources for the purposes of the cash flow are defined as short term deposits.

LONDON INTERNATIONAL EXHIBITION CENTRE PLC

Notes forming part of the financial statements for the 14 month period ended 31 January 2005(Continued)

1 Accounting policies (Continued)

Deferred taxation

Deferred tax assets and liabilities arise from timing differences between the recognition of gains and losses in the financial statements and their recognition in a tax computation.

In accordance with FRS 19, deferred tax is provided in respect of all timing differences that have originated, but not reversed, at the balance sheet date that may give rise to an obligation to pay more or less tax in the future. An asset is recognised where there is no uncertainty as to the transfer of future economic benefits. Deferred tax is measured on a non-discounted basis.

2 Turnover, profit and net assets

All turnover, profit and net assets arose from the principal activity of the company and within the UK.

LONDON INTERNATIONAL EXHIBITION CENTRE PLC

Notes forming part of the financial statements for the 14 month period ended 31 January 2005(Continued)

3 Staff costs and directors' emoluments

	Period ended 31 Jan 2005 £'000	Year ended 30 Nov 2003 £'000
Staff costs (including directors' emoluments) consist of:		
Wages and salaries	4,310	4,059
Social security costs	524	425
Pension costs (defined contribution scheme)	255	163
	<u>5,089</u>	<u>4,647</u>
The average number of full time staff employed during the year were:	Number	Number
Support, operations and sales and marketing	<u>91</u>	<u>72</u>
Directors' emoluments		
Fees and other emoluments	1,064	664
Pension contributions	93	61
Compensation for loss of office	-	206
	<u>1,157</u>	<u>931</u>

During the year the highest paid director received emoluments of £385,150 (2003 - £332,322) and pension contributions of £39,000 (2003 - £36,798).

Retirement benefits are accruing to three directors (2003: three) under money purchase schemes.

In 2003 compensation for loss of office was paid to Iain Lawrie Shearer who resigned as a director on 24 October 2002 and includes a £176,107 payment to his defined contribution pension fund.

LONDON INTERNATIONAL EXHIBITION CENTRE PLC

Notes forming part of the financial statements for the 14 month period ended 31 January 2005(Continued)

4 Net interest payable

	Period ended 31 Jan 2005 £'000	Year ended 30 Nov 2003 £'000
Bond interest payable	(7,196)	(6,168)
Other interest payable	-	(44)
Amortisation of bond issue costs and discounts	(344)	(388)
Total interest payable and similar charges	(7,540)	(6,600)
Bank interest receivable	808	471
	(6,732)	(6,129)

5 Operating loss

	Period ended 31 Jan 2005 £'000	Year ended 30 Nov 2003 £'000
This is arrived at after charging:		
Auditors' remuneration - audit services	47	45
- non-audit services	93	13
Depreciation on tangible fixed assets	7,488	5,888
Operating lease payments - Land and buildings	202	189
- Other	138	77
Exceptional item – refinancing costs	-	3,535

The exceptional item charged in the profit and loss account relates to the costs incurred in the re-negotiation of the financing of the group.

6 Taxation

	Period ended 31 Jan 2005 £'000	Year ended 30 Nov 2003 £'000
<i>Tax reconciliation</i>		
Factors affecting the tax charge for the period:		
Loss on ordinary activities before taxation	(8,674)	(15,629)

LONDON INTERNATIONAL EXHIBITION CENTRE PLC

Notes forming part of the financial statements for the 14 month period ended 31 January 2005(Continued)

6 Taxation (Continued)

	Period ended 31 Jan 2005 £'000	Year ended 30 Nov 2003 £'000
Loss on ordinary activities at standard rate of corporation tax in the UK of 30%	(2,602)	(4,689)
Effects of:		
Expenses not deductible for tax purposes	1,684	575
Capital allowances for period in excess of depreciation	598	1,761
Losses created in year	20	2,353
Group relief (claimed)/surrendered not paid	300	-
Current tax charge for period	-	-

As at the period end the company had tax losses (net of tax computation timing differences) of approximately £70.7 million (2003 - £60.2 million) available for utilisation in future years, subject to agreement with the Inland Revenue.

Unrecognised deferred tax

	At 1 December 2003 £'000	Movement in the year £'000	At 31 January 2005 £'000
Accelerated capital allowances	1,232	581	1,813
Tax losses	18,060	3,160	21,220
Short term timing differences	5	10	15
	19,297	3,751	23,048
Capitalised interest	(4,825)	-	(4,825)
Unrecognised deferred tax asset	14,472	3,751	18,223

The company has not provided for the net deferred tax asset on losses and accelerated capital allowances, as it is prudent to assume that the group will not make sufficient profits in the short term to absorb these amounts.

No provision has been made for deferred tax on the revalued multi storey car park. Tax is only payable in the event that the company makes taxable profits in the year of disposal. At present it is not envisaged that any tax will become payable in the foreseeable future. An estimate of this potential liability at 31 January 2005 is £1.8 million (2003 - £1.8 million).

LONDON INTERNATIONAL EXHIBITION CENTRE PLC

Notes forming part of the financial statements for the 14 month period ended 31 January 2005(Continued)

7 Tangible assets

	ExCeL Exhibition Centre £'000	Motor vehicles £'000	Fixtures, fittings and equipment £'000	Total £'000
<i>Cost or valuation</i>				
At beginning of year	206,479	-	1,874	208,353
Additions	18,205	15	184	18,404
Disposals	-	-	-	-
At end of year	224,684	15	2,058	226,757
<i>Depreciation</i>				
At beginning of year	15,699	-	1,225	16,924
Provided for the year	7,139	2	347	7,488
Disposals	-	-	-	-
At end of year	22,838	2	1,572	24,412
<i>Net book value</i>				
At 31 January 2005	201,846	13	486	202,345
At 30 November 2003	190,780	-	649	191,429

Included within the cost of the ExCeL Exhibition Centre is £15.5 million (2003 - £15.5 million) of capitalised interest charges and amortised bond issue costs.

The ExCeL Exhibition Centre is held on a long leasehold.

Valuation at multi-storey car park

Included within ExCeL Exhibition Centre is a multi storey car park, which was revalued in November 2002. This valuation was performed by Drivers Jonas, on the basis of 'Existing Use Value' as defined in the Appraisal and Valuation manual published by the Royal Institution of Chartered Surveyors.

LONDON INTERNATIONAL EXHIBITION CENTRE PLC

Notes forming part of the financial statements for the 14 month period ended 31 January 2005(Continued)

7 Tangible assets (continued)

The depreciated historical cost of the multi storey car park is:

	31 Jan 2005 £'000	30 Nov 2003 £'000
Cost	7,520	7,520
Accumulated depreciation based on historical cost	654	479
Depreciated historical cost	6,866	7,041

8 Debtors

	31 Jan 2005 £'000	30 Nov 2003 £'000
Amounts receivable within one year		
Trade debtors	8,455	5,887
Prepayments and accrued income	322	480
	8,777	6,367
Amounts receivable after more than one year		
Other debtors	-	943

LONDON INTERNATIONAL EXHIBITION CENTRE PLC

Notes forming part of the financial statements for the 14 month period ended 31 January 2005(Continued)

9 Bank deposits and bonds

Included within bank deposits and bonds is £1.8 million (2003 - £1.8 million) in respect of a counter indemnity account. On 3 March 2005, the counter indemnity was removed.

The use of these funds is restricted by the terms of the issue document in respect of the Class A Secured Bonds .

10 Creditors: amounts falling due within one year

	31 Jan 2005 £'000	Restated 30 Nov 2003 £'000
Trade creditors	534	914
VAT payable	327	616
Payments due on account for construction	786	420
Social security costs	135	105
Accruals	9,103	7,678
Deferred income	10,065	7,136
Amounts due to parent undertaking	1,000	-
	<u>21,950</u>	<u>16,869</u>

The prior year accruals have been restated to reallocate £1.07 million to creditors: amounts falling due after more than one year.

Included in accruals is £49,198 (2003 - £40,410) relating to amounts payable in respect of pension contributions.

LONDON INTERNATIONAL EXHIBITION CENTRE PLC

Notes forming part of the financial statements for the 14 month period ended 31 January 2005(Continued)

11 Creditors: amounts falling due after more than one year

	31 Jan 2005 £'000	31 Jan 2005 £'000	Restated 30 Nov 2003 £'000	Restated 30 Nov 2003 £'000
Non-convertible debt made up of:				
Class A Secured Bonds	130,000		130,000	
- Premium on issue	4		4	
- Unamortised issue costs	(2,454)		(2,798)	
- Accrued Bond interest	13,364		6,168	
Total non-convertible debt		140,914		133,374
Amounts owed to parent company		10,000		10,000
Accruals		1,250		1,070
		152,164		144,444

The prior year creditors due after one year have been restated to reallocate £1.07 million from accruals.

LONDON INTERNATIONAL EXHIBITION CENTRE PLC

Notes forming part of the financial statements for the 14 month period ended 31 January 2005(Continued)

11 Creditors: amounts falling due after more than one year (Continued)

The £130,000,000 Class A Secured Bonds were issued at 100.003% on 9 April 1999. They bear interest at 7.710% per annum based on their par value. Following the completion of the refinancing in January 2003 it was agreed that no interest is payable until May 2008 and the bonds are redeemable at par in 25 November 2015. Interest is being accrued to spread total interest payable to redemption over the remaining life in accordance with FRS 4. The bonds are secured by way of a fixed and floating charge over the assets of the company along with a mortgage over the ordinary shares in issue held by a director (one share) and the parent company (remaining shares).

	31 Jan 2005 £'000	30 Nov 2003 £'000
Capital repayments of the bonds fall as follows:		
In more than five years	130,000	130,000
	<u>130,000</u>	<u>130,000</u>

The board considers the policies needed to manage the company's exposure to risk. The company's financial instruments consisted of cash, secured bonds and an inter company loan. The company does not face any significant foreign exchange risk. The main risks arising from these types of financial instruments are interest rate risk and liquidity risk.

Interest rate risk - assets

An amount of £8.9 million was held on various short term deposits at rates between 4.07% and 4.67 % (2003 - £17.2 million between 3.51% and 3.85%).

Interest rate risk - liabilities

As noted above, the company's bonds bear interest at a fixed rate of 7.710% until November 2015, with an interest holiday between January 2003 and November 2007. The inter company loan and the accruals due after more than one year are non-interest bearing.

LONDON INTERNATIONAL EXHIBITION CENTRE PLC

Notes forming part of the financial statements for the 14 month period ended 31 January 2005(Continued)

11 Creditors: amounts falling due after more than one year (Continued)

Liquidity risk

The group raised £200 million in 1999 from the Bond issue, which was used for the development of the ExCeL Exhibition Centre and to fund the working capital requirements of the business in its initial stages. The company received a further £2.5 million in 2002 and £ 22.5 million in 2003 from its parent company, from which working capital requirements were met following the completion of the refinancing.

Fair values

The company borrowings consist of Class 'A' secured bonds stocks which are listed on the Luxembourg stock exchange with a market value at 31 January 2005 of £61.8 million (2003: £59.8 million) and an inter company loan.

The directors believe that the fair value of the inter company loan and all other assets and liabilities are not materially different from their book value.

12 Share capital

	31 Jan 2005 Number	31 Jan 2005 £'000	30 Nov 2003 Number	30 Nov 2003 £'000
<i>Authorised</i>				
Ordinary shares of £1 each	72,233,000	72,233	72,233,000	72,233
<i>Allotted, called up and fully paid</i>				
Ordinary shares of £1 each	72,233,000	72,233	72,233,000	72,233

13 Reserves

	Capital contribution £'000	Revaluation reserve £'000	Profit and loss account £'000
At 1 December 2003	9,992	5,622	(73,574)
Transfer relating to revalued properties	-	(175)	175
Loss for the period	-	-	(8,674)
At 31 January 2005	9,992	5,447	(82,073)

LONDON INTERNATIONAL EXHIBITION CENTRE PLC

Notes forming part of the financial statements for the 14 month period ended 31 January 2005(Continued)

14 Reconciliation of movement in shareholders' funds

	31 Jan 2005 £'000	30 Nov 2003 £'000
Loss for the period	(8,674)	(22,704)
Share Issue	-	32,223
Share Premium	-	40,383
Movement in shareholders' funds	(8,674)	49,902
Opening shareholders' funds	54,656	4,754
Closing shareholders' funds	45,982	54,656

15 Commitments under operating leases

As at 31 January 2005, the company had annual commitments under non-cancellable operating leases as set out below:

	31 Jan 2005 Land and buildings £	31 Jan 2005 Other £	30 Nov 2003 Land and buildings £	30 Nov 2003 Other £
Operating leases which expire:				
Within one year	-	-	218	59
In one to two years	-	106	-	-
In two to five years	-	32	871	178
Over five years	203	-	-	-
	203	138	1,089	237

16 Reconciliation of operating loss to net cash flow from operating activities

	Period ended 31 Jan 2005 £'000	Restated Year ended 30 Nov 2003 £'000
Operating loss	(6,769)	(13,033)
Depreciation	7,488	5,888
Loss on disposal of fixed assets	-	2
Increase in debtors	(2,419)	(3,324)
Increase in creditors	3,382	4,196
Net cash outflow from operating activities	1,682	(6,271)

LONDON INTERNATIONAL EXHIBITION CENTRE PLC

Notes forming part of the financial statements for the 14 month period ended 31 January 2005(Continued)

17 Analysis of cash flows for headings netted in the cash flow statement

	Period ended 31 Jan 2005 £'000	Restated Year ended 30 Nov 2003 £'000
Returns on investments and servicing of finance		
Interest received	817	455
Interest paid	-	(952)
	<u>817</u>	<u>(497)</u>
Net cash outflow from returns on investments and servicing of finance	<u>817</u>	<u>(497)</u>
Capital expenditure		
Purchase of fixed assets	(17,655)	(5,761)
Disposal of fixed Assets	-	8
	<u>(17,655)</u>	<u>(5,753)</u>
Proceeds from sale of land and buildings	6,900	4,425
Purchases re sale of land & buildings	-	(128)
	<u>(10,755)</u>	<u>(1,456)</u>
Net cash outflow from capital expenditure	<u>(10,755)</u>	<u>(1,456)</u>
Management of liquid resources		
Cash withdrawn from deposits	14,719	(14,719)
	<u>14,719</u>	<u>(14,719)</u>
Financing		
Issue of ordinary shares	-	19,000
Issue of loan stock	-	3,500
	<u>-</u>	<u>22,500</u>
Net cash inflow from financing	<u>-</u>	<u>22,500</u>

In accordance with an agreement with the London Development Agency ('LDA') part of the proceeds received on the disposal of land and buildings shown above are payable to the LDA.

LONDON INTERNATIONAL EXHIBITION CENTRE PLC

Notes forming part of the financial statements for the 14 month period ended 31 January 2005(Continued)

18 Reconciliation of net cash outflow to movement in net debt

	Period ended 31 Jan 2005 £'000	Restated Year ended 30 Nov 2003 £'000
Cash inflow/(outflow) for the period	6,463	(443)
Movement in liquid resources	(14,719)	14,719
Movement in net debt resulting from cash flows	(8,256)	14,276
Amortisation of bond issue costs	(344)	(388)
Shareholder loan stock issued	-	2,500
Conversion of B Bonds on equity	-	40,532
Interest provided in respect of A bonds	(7,196)	(6,168)
Movement in net debt in the period	(15,796)	50,752
Opening net debt	(126,144)	(176,896)
Closing net debt	(141,940)	(126,144)

19 Analysis of net debt

	At 1 December 2003 £'000 (restated)	Cash flow £'000	Other non cash movements £'000	At 31 January 2005 £'000
Cash at bank and in hand	761	6,463	-	7,224
Liquid resources	16,469	(14,719)	-	1,750
Debt due in more than one year (see note 11)	(143,374)	-	(7,540)	(150,914)
Net debt	(126,144)	(8,256)	(7,540)	(141,940)

Non-cash movements

During the period the group:

- Charged profits with £0.344 million of bond issue costs; and
- Charged profits with £7.196 million of interest on the A Bonds in accordance with FRS 4.

The prior year cash flow has been restated to reallocated £0.761 million of liquid resources to cash at bank and in hand

LONDON INTERNATIONAL EXHIBITION CENTRE PLC

Notes forming part of the financial statements for the 14 month period ended 31 January 2005(Continued)

20 Ultimate parent company

At 31 January 2005 the company's immediate parent company was London International Exhibition Centre Holdings PLC

Copies of the consolidated financial statements of London International Exhibition Centre Holdings PLC, are available from Companies House.

PanOcean Management Ltd, a company incorporated in Jersey, Channel Islands, is regarded by the directors to be the ultimate holding company of London International Exhibition Centre Holdings plc.

21 Related party transactions

The company has taken the exemption not to disclose transactions with group entities.

During the year invoices were rendered to the company by Sir Robert McAlpine Limited, a party connected to Sir Robert McAlpine (Trade Investments) Limited, a shareholder in London International Exhibition Centre Holdings Plc. The amount invoiced was £2.5 million (2002 - £2.4 million), which was in respect of work performed in connection with the development of the ExCeL Exhibition Centre and in respect of which work £0.8 million is outstanding (2003 - £0.4 million) as at the period end.

The company owe the London Development Agency, a shareholder in the London International Exhibition Centre Holdings plc, £3.8 million (2003: £2.7 million) in respect of land sales made in the period, and £1.2 million (2003: £1 million) in respect of rent on the site