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**London International Exhibition Centre
Plc**

Report and Financial Statements

Year Ended

31 January 2008

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LONDON INTERNATIONAL EXHIBITION CENTRE PLC

Report and Financial Statements for the year ended 31 January 2008

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Company 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

During the year ended 31 January 2008 the company continued to make strong progress with further improvements in both revenues and net cash flows from operating activities at ExCeL London. The company continues to attract significant new business from leading UK and international event organisers and directly with blue chip end users thereby cementing its position as London's leading venue for exhibitions, conferences and corporate events.

Both trade and consumer exhibitions continued to flourish. ExCeL London successfully hosted a record number of exhibitions in the year including a record number of new events. Our exhibitions continue to outperform the market in respect of visitor attendances. ExCeL London has won a total of six industry awards during the year including being recognised again as a Business Superbrand for 2008.

The company's conference business continues to grow strongly. This is reflected in the increasing number of large national and international conventions and corporate events hosted at ExCeL London. Many new clients have announced that they will be coming to ExCeL London in future years, including the RSA European Conferences 2008 and 2009, the European Academy of Allergology and Clinical Immunology 2011 and the 8th International Orthodontic Congress in 2015.

At the beginning of the year the business was successful in obtaining planning consent of the extension of its exhibition and conference facilities. Whilst a final decision whether to construct the extension has not been taken, the company has since made significant progress in the detailed design for this extension, and has consulted widely with customers and partners. An encouraging level of support continues to be expressed for this second phase of ExCeL London's development.

The company is pleased to note the Government's decision in October 2007 to approve funding for the Crossrail scheme which will provide a direct and rapid link to ExCeL from the centre of London and from Heathrow airport. The company is looking forward to the opportunities presented by this link and by the further extension of the Docklands Light Railway to Stratford International Station opening in 2010 which will enhance the comfort and convenience of access to ExCeL London and benefit the continuing development and regeneration of the wider Royal Docks area.

ExCeL London continues to progress and develop as a world class venue thanks to the hard work, dedication and commitment of the entire ExCeL London team. Once again I am delighted to record on behalf of the Board our sincere appreciation to the whole team for their efforts and achievements during the past year.



The Rt Hon The Lord King of Bridgwater CH
Chairman

14 March 2008

LONDON INTERNATIONAL EXHIBITION CENTRE PLC

Directors' Report for the year ended 31 January 2008

The directors present their report together with the audited financial statements for the year ended 31 January 2008

Results and dividends

The profit and loss account is set out on page 10 and shows the result for the year. The directors do not recommend the payment of a dividend (2007 - £nil)

The principal activity of London International Exhibition Centre PLC ("the company") continues to be the operation of the ExCeL London exhibition and conference centre together with the development of the property assets on its 90 acre site

The results for the company show a pre-tax profit of £3,482,000 (2007 - a loss of £12,349,000) and sales of £40,285,000 (2007 - £36,304,000). The company has net debt of £118,021,000 (2007 - £140,202,000). Net cash inflow from operating activities during the year was £14,431,000 (2007 - £12,038,000)

During the year the company redeemed the Class A Secured Bonds. A premium of £12,487,000 over the par value of £130,000,000 was paid. Fees and costs of £1,244,000 relating to the redemption were paid. The redemption of the bonds was financed by a £140,000,000 loan facility from Visionary Properties Ltd, the majority shareholder in the company's parent company London International Exhibition Centre Holdings PLC.

Included within the pre-tax profit for the year are two significant items. Property development and design costs relating to the extension of the existing ExCeL London venue of £4,251,000 (2007 - £1,896,179) and costs relating to the LIEC Group Executive Management Incentive Plan of £8,208,882 (2007 - £8,025,819) were incurred in the year. Further information on these items can be found in notes 5 and 3 of the accounts respectively.

Business Review & Strategy

The vision is for ExCeL London to be regarded as the city's premier destination, primarily for business events. The market positioning for ExCeL London is "a world-class venue for a world-class city".

The company continues to target what it considers to be the most attractive and receptive markets for its services and where it enjoys a competitive advantage in both its facilities and in its London location. These are the UK and international exhibitions markets and the UK and international conference and events markets.

The company believes that the market for the provision of space to the exhibition market remains highly competitive. In order to continue successfully to grow its exhibitions business the company engages in careful and selective targeting of specific events (both launch events and transfers from competing venues) which it believes have a high likelihood of succeeding at ExCeL London. The company also maintains a close dialogue with key event organisers and owners. ExCeL London plans to promote the growth of existing events through the excellence of its service delivery and by investing to improve the visitor experience and the facilities at the venue. During the year ExCeL London increased its share of the exhibition market, winning material business from all major organisers of both Trade and Consumer exhibitions including EMAP, Reed Elsevier, United Business Media and Haymarket.

The Company believes that the UK and international conference market remains both competitive and buoyant. The growing prominence of London as the world's leading city for business together with its successful bid for the XXX Olympiad in 2012 have fuelled demand from a wide range of international conferences and events and ExCeL London is successfully winning the major share of this business. ExCeL London has proved itself as a credible and attractive venue across the conference spectrum by successfully hosting large international conferences and congresses and major corporate events. The Conference and Events division is now an established, major contributor to the company's success.

LONDON INTERNATIONAL EXHIBITION CENTRE PLC

Directors' Report for the year ended 31 January 2008 (*Continued*)

During the year the Company completed a new masterplan for the site to underpin its vision as a world class events destination. In addition to the planned development of its capacity extension the Company also envisions the establishment of an entertainment and leisure district together with additional hotels and significant animation of the 1.5km Royal Victoria Dock waterfront.

Environmental Policy

ExCeL London is committed to reducing the impact on the environment of its activities. A comprehensive programme of waste reduction and energy efficiency has been implemented in the year with the aim of reducing energy usage within the ExCeL London venue and increasing the recycling of waste created by events taking place at ExCeL London. During the year, consumption of energy was reduced by 40% and CO2 emissions by 31%. Recycled waste grew to 78% of the total with further increases planned.

Risks and Uncertainties

The management of the business and the execution of the company's vision and strategy are subject to a number of risks, the most prominent of which are listed below. Risks facing the business are reviewed by the Board and appropriate processes are in place to identify, monitor and mitigate these risks.

Competition

The events market is highly competitive. Competition for international events is influenced by the support that many competing venues, particularly in mainland Europe, receive from public funds. A serious risk that the company faces is that one or more of ExCeL London's key, large events is lost to a competitor or ceases to take place. The company mitigates this risk by actively seeking to enter into long term contracts with many of its key customers and by continually improving the quality of its service delivery. The commitment to service quality is demonstrated by the awards which ExCeL has won during the year – in particular being recognised as a Business Superbrand and in winning Exhibition Venue of the Year 2007, Best Venue 2007, Best Event Team 2007, Best Event Venue 2007 and the Outstanding Achievement Award 2007.

External Threats

The threat posed by terrorism is accepted as being particularly acute in London, especially in the time leading up to the 2012 Olympic Games. Discontinuity of services caused by a terrorist attack or a recession in business tourism in London after an attack could seriously impact the company's business.

Staffing

The challenge posed in retaining a high-quality team of senior managers where there is strong demand for their skills is considered to be significant. The company has implemented incentive plans and a programme of training and development to identify, retain and motivate key staff.

LONDON INTERNATIONAL EXHIBITION CENTRE PLC

Directors' Report for the year ended 31 January 2008 (Continued)

Key Performance Indicators

The board monitors progress on the overall company strategy by reference to the following Key Performance Indicators. Performance during the year is set out below

	Year Ended 31 January 2008	Year Ended 31 January 2007
Revenue Growth (%)	11.0%	12.7%
Underlying EBITDA Growth (%)	46.8%	11.2%
Cashflow (£'000)	12,817	6,291

Underlying EBITDA excludes the charges relating to the property development and design costs for the extension of the ExCeL London venue and the costs relating to the LIEC Group Executive Management Incentive Plan

Corporate Social Responsibility

ExCeL London is determined to maintain an ethical and caring interaction with the local community and with other stakeholders and has developed a Corporate and Social Responsibility programme which will continue to grow over the coming years. Strong links with the community have been developed in education, sport, music and in giving local young people opportunities to experience work at ExCeL London. In particular the ExCeL London 3-day Music Academy has become an annual event and ExCeL London has invested in an initiative called "Juice4Life" where local schools will be encouraged towards healthier eating and nutrition. The company encourages the use of the venue by the local community, supporting major events organised by the Borough of Newham and with other forms of financial support and charitable donation.

Composition of the Board

The following served as Directors of the company during the year

	Member of Audit Committee	Member of Remuneration Committee
<i>Chairman</i>		
The Rt Hon The Lord King of Bridgwater CH		
<i>Executive Directors</i>		
William James Buchan		
Vanessa Cotton		
Philip Dowson		
Kevin Murphy		
<i>Non-executive Directors</i>		
Chan Chee Beng	X	
Alan Cole	X	X
Ralph Marshall		
Mohammed Shahrin Merican		X
David Shipley	X	X

The Board currently consists of the Chairman, four executive and five non-executive directors. These directors possess an appropriate level and range of business experience to effectively manage the company.

LONDON INTERNATIONAL EXHIBITION CENTRE PLC

Directors' Report for the year ended 31 January 2008 (Continued)

Role and Responsibilities of the Board

The formal matters reserved for the Board's decision and approval are the definition and approval of the company's overall strategy, the formulation of finance policy, the approval of budgets and major items of capital expenditure, the approval of the financial statements, and the appointment of the Company Secretary. The requirement for Board approval on these matters is communicated to senior management.

To maintain effective control over strategic, financial, operational and compliance issues the Board meets during the year and has a schedule of matters that is brought to it, or its duly authorised committees, for decision.

Directors can obtain independent professional advice at the company's expense in furtherance of their duties as directors. All directors also have access to the advice and the services of the Company Secretary. The Company Secretary is charged by the Board with ensuring that the Board's procedures and rules are followed at all times.

Board Committees & Memberships

The Board has established two committees: the Remuneration Committee and the Audit Committee.

The Remuneration Committee The Remuneration Committee is chaired by Mohammed Shahrin Merican. It is responsible for approving the remuneration and reward packages of all the executive directors including any performance-related elements of the package.

The Audit Committee The Audit Committee is chaired by David Shipley and is charged with overseeing the adequacy of the company's risk management and internal control procedures, assessing the appropriateness of the company's accounting policies and reviewing the compliance of the company with relevant accounting standards. The Audit Committee also considers the objectivity and independence of the external auditors on a regular basis and is responsible for setting the level of the audit fee.

The Audit Committee is authorised by the Board to investigate any matter within its terms of reference and to obtain such independent professional advice as it deems necessary in the furtherance of its duties. The finance director of the company and the external auditors are both invited to attend the committee's meetings. The external auditors and the other directors are afforded the opportunity of private meetings with the audit committee at their request.

Attendance at Board Meetings

The following table sets out the attendance of the directors at the Board and other committee meetings during the year.

	Board meetings (max 6)	Audit Committee meetings (max 1)	Remuneration Committee meetings (max 4)
<i>Chairman</i>			
The Rt Hon The Lord King of Bridgwater CH	6		
<i>Executive Directors</i>			
William James Buchan	6		
Vanessa Cotton	4		
Philip Dowson	6		
Kevin Murphy	5		
<i>Non-executive Directors</i>			
Chan Chee Beng	3	1	
Alan Cole	6	1	4
Ralph Marshall	-		
Mohammed Shahrin Merican	5		4
David Shipley	6	1	4

LONDON INTERNATIONAL EXHIBITION CENTRE PLC

Directors' Report for the year ended 31 January 2008 (Continued)

Audit and Internal Control

The Board of directors are responsible for the effectiveness of the company's system of financial and non-financial internal control. This system is designed to provide reasonable, but not absolute, assurance against material misstatement or loss. The Board confirms that there is an ongoing process allowing for the identification, evaluation and management of significant business risks. The key elements of the company's internal control system are

- 1) *Organisational structure* An organisation structure is in place which clearly defines responsibilities for operational and financial functions. There are clearly defined levels of authority and responsibility as well as appropriate reporting procedures.
- 2) *Financial Reporting* There is a comprehensive strategic planning, budgeting and forecasting process. Annual budgets and longer-term strategic forecasts are reviewed and approved by the Board of directors. Results for the company are reported to the Board against this budget.
- 3) *Expenditure* The company has clearly defined guidelines and procedures for revenue and capital expenditure including annual budgets, detailed investment appraisal and review procedures and appropriate delegation and reservation of purchasing authority. All significant expenditure requires approval by the Board.

Statement of directors' responsibilities in respect of the Annual Report and the financial statements

The directors are responsible for preparing the Annual 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 elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 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 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, in which case there should be supporting assumptions or qualifications as necessary.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records that 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 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.

LONDON INTERNATIONAL EXHIBITION CENTRE PLC

Directors' Report for the year ended 31 January 2008 (Continued)

Statement of disclosure of information to the auditors

So far as the directors are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the company's auditors are unaware, and each director has taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information

Financial instruments

The company's use of financial instruments and the management of the risks arising from those instruments is contained within note 11 of these financial statements

Employees

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

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

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.

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 2008 trade creditors represented 82 days of supplies (2007 – 57 days).

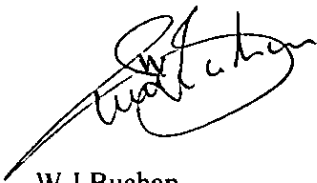
Charitable donations

During the year the company made charitable donations of £5,131 (2007 - £11,000)

Auditors

PricewaterhouseCoopers LLP have expressed their willingness to accept reappointment as auditors. A resolution to reappoint them will be tabled at the next annual general meeting.

By order of the Board



W J Buchan
Director

14 March 2008

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 of London International Exhibition Centre PLC for the year ended 31 January 2008 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement, the Statement of Total Recognised Gains and Losses, the Note of Historical Cost Profits and Losses, and the related notes set out on pages 14 to 26 of this report. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) 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 International Standards on Auditing (UK and Ireland). 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 whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions is not disclosed.

We read other information contained in the annual report and consider whether it is consistent with the audited financial statements. This other information comprises only the Chairman's Statement and the Directors' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 judgments 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.

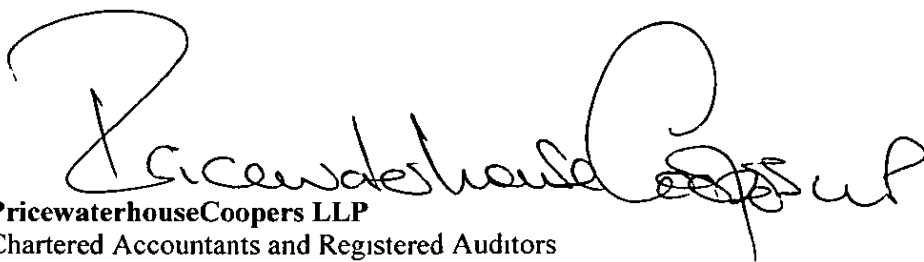
LONDON INTERNATIONAL EXHIBITION CENTRE PLC

Report of the independent auditors (*Continued*)

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 January 2008 and of its profit and cash flows for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements



PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Gatwick

19 March 2008

LONDON INTERNATIONAL EXHIBITION CENTRE PLC**Profit and loss account for the year ended 31 January 2008**

	Note	Year Ended 31 Jan 2008 £'000	Year Ended 31 Jan 2007 £'000
Turnover	2	40,285	36,304
Administrative expenses		(44,842)	(42,799)
Operating loss	5	(4,557)	(6,495)
Interest receivable and similar income	4	1,556	722
Interest payable and similar charges	4	4,883	(6,576)
Profit on disposal of land		1,600	-
Profit/(loss) on ordinary activities before taxation		3,482	(12,349)
Taxation	6	(720)	-
Profit/(loss) for the year	13	2,762	(12,349)

All amounts relate to continuing activities

The notes on pages 14 to 26 form part of these financial statements

LONDON INTERNATIONAL EXHIBITION CENTRE PLC

Note of historical cost profits and losses for the year ended 31 January 2008

	Note	Year Ended 31 Jan 2008 £'000	Year Ended 31 Jan 2007 £'000
Reported profit/(loss) on ordinary activities before taxation		3,482	(12,349)
Excess depreciation on revaluation	13	176	164
Total historical cost profit/(loss) on ordinary activities before taxation		<u>3,658</u>	<u>(12,185)</u>
Total historical cost profit/(loss) on ordinary activities after taxation		<u>2,938</u>	<u>(12,185)</u>

Statement of total recognised gains and losses for the year ended 31 January 2008

	Year Ended 31 Jan 2007 £'000	Year Ended 31 Jan 2006 £'000
Reported profit/(loss) for the year	2,762	(12,349)
Unrecognised gain on revaluation of multi-storey car park 7	4,035	-
Total recognised gains and losses for the year	<u>6,797</u>	<u>(12,349)</u>

The notes on pages 14 to 26 form part of these financial statements

LONDON INTERNATIONAL EXHIBITION CENTRE PLC

Balance sheet at 31 January 2008

	Note	31 Jan 2008 £'000	31 Jan 2008 £'000	31 Jan 2007 £'000	31 Jan 2007 £'000
Fixed assets					
Tangible assets	7		192,694		195,625
Current assets					
Debtors – due within one year	8	11,137		10,745	
Cash at bank		35,110		22,293	
		<u>46,247</u>		<u>33,038</u>	
Creditors: amounts falling due within one year					
Convertible debt	9,11	(141,777)		-	
Other creditors	9	(48,283)		(36,151)	
		<u>(190,060)</u>		<u>(36,151)</u>	
Net current liabilities			(143,813)		(3,113)
Total assets less current liabilities			<u>48,881</u>		<u>192,512</u>
Financed by:					
Creditors: amounts falling due after more than one year	10,11		11,801		163,583
Capital and reserves					
Called up share capital	12	72,233		72,233	
Equity options granted	11	1,354		-	
Share premium		40,383		40,383	
Revaluation reserve	13	8,992		5,133	
Capital contribution	13	9,992		9,992	
Profit and loss account	13	(95,874)		(98,812)	
Shareholders' funds	14	<u>37,080</u>		<u>28,929</u>	
			<u>48,881</u>		<u>192,512</u>

The financial statements on pages 10 to 26 were approved by the Board on 14 March 2008

W J Buchan
Director

The notes on pages 14 to 26 form part of these financial statements

LONDON INTERNATIONAL EXHIBITION CENTRE PLC

Cash flow statement for the year ended 31 January 2008

	Note	Year Ended 31 Jan 2008 £'000	Year ended 31 Jan 2007 £'000
Net cash inflow from operating activities	16	14,431	12,038
Returns on investments and servicing of finance	17	312	722
Capital expenditure and financial investment	17	561	(6,469)
Cash inflow before financing		15,304	6,291
Financing	17	(2,487)	-
Increase in cash	18,19	12,817	6,291

The notes on pages 14 to 26 form part of these financial statements

LONDON INTERNATIONAL EXHIBITION CENTRE PLC

Notes forming part of the financial statements for the year ended 31 January 2008

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 UK accounting standards and the Companies Act 1985

The following principal accounting policies have been applied:

Going concern

The financial statements have been prepared on the going concern basis on the expectation of continued support of the company's shareholders. The company's operations are currently funded by amounts due to Visionary Properties Limited. Visionary Properties Ltd is the majority shareholder of London International Exhibition Centre Holdings PLC, the immediate parent company of the company.

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

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.

LONDON INTERNATIONAL EXHIBITION CENTRE PLC

Notes forming part of the financial statements for the year ended 31 January 2008 (*Continued*)

Financial instruments

Following the redemption of the listed Class A Secured Bonds, the company no longer considers it appropriate to follow FRS 26 and has adopted FRS 4. There is no effect on the financial statements other than with regard to the disclosure requirements of the standards.

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.

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 it is more certain than not 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 year ended 31 January 2008 *(Continued)*

3 Staff costs and directors' emoluments and share based payment schemes

	Year ended 31 Jan 2008 £'000	Year ended 31 Jan 2007 £'000
Staff costs (including directors' emoluments) consist of		
Wages and salaries	6,345	5,648
Amounts receivable under long-term incentive plans	9,489	8,176
Social security costs	807	653
Pension costs (defined contribution scheme)	300	273
	<u>16,941</u>	<u>14,750</u>

The average number of full time staff employed (including executive directors) during the year were	Number	Number
Support, operations and sales and marketing	<u>146</u>	<u>121</u>

Directors' emoluments

	Year ended 31 Jan 2008 £'000	Year ended 31 Jan 2007 £'000
Fees and other emoluments	1,689	1,234
Amounts receivable under long-term incentive plans	5,649	6,982
Pension contributions	128	109
	<u>7,466</u>	<u>8,325</u>

During the year the highest paid director received emoluments of £761,783 (2007 - £383,987), pension contributions of £44,375 (2007 - £38,750) and accrued entitlements under the LIEC group's Executive Management Incentive scheme valued at £2,881,625 (2007 - £2,247,229)

Contributions are made by the company to the money purchase pension schemes of four (2007 four) directors

'Amounts receivable under long term incentive plans' include benefits accruing under the LIEC Group's Executive Management Incentive Scheme Further details of the scheme can be found in the accounts of the parent company London International Exhibition Centre Holdings PLC

LONDON INTERNATIONAL EXHIBITION CENTRE PLC

Notes forming part of the financial statements for the year ended 31 January 2008 (*Continued*)

4 Net interest payable

	Year ended 31 Jan 2008 £'000	Year ended 31 Jan 2007 £'000
<i>Shareholder Loan</i>		
Interest payable	(3,131)	-
<i>Class A Secured Bonds</i>		
Interest released upon redemption of bonds/(payable)	12,107	(6,338)
Amortisation of bond issue costs and discounts	(2,099)	(238)
Professional fees payable upon redemption of bonds	(1,244)	-
<i>Other interest</i>		
Other interest payable	(750)	-
Total interest payable and similar charges	4,883	(6,576)
Bank interest receivable	1,556	722
	6,439	(5,854)

During the year the company redeemed the outstanding Class A Secured Bonds. Interest accrued in prior years in respect of these bonds that was in excess of the premium against the bonds' par value that was paid upon redemption has been recognised in the Profit and Loss Account for the year. The remaining unamortised issue costs of these bonds have also been recognised in the Profit and Loss Account for the current year. Further details on the redemption of the Class A Secured Bonds can be found in note 11 to these accounts.

5 Operating loss

	Year ended 31 Jan 2008 £'000	Year ended 31 Jan 2007 £'000
This is arrived at after charging		
Auditors' remuneration - audit services	60	50
- non-audit services		
taxation services	11	14
recruitment & remuneration services	43	10
services related to corporate transactions	213	-
Operating lease payments -land and buildings	203	185
other	61	42
Depreciation on tangible fixed assets	8,053	7,360
Property development and design costs	4,251	1,896

LONDON INTERNATIONAL EXHIBITION CENTRE PLC

Notes forming part of the financial statements for the year ended 31 January 2008 (Continued)

6 Taxation

	Year ended 31 Jan 2008 £'000	Year ended 31 Jan 2007 £'000
Current year tax charge	720	-
<i>Tax reconciliation</i>		
Profit/(loss) on ordinary activities before taxation	3,482	(12,349)
Profit/(loss) on ordinary activities at standard rate of corporation tax in the UK of 30%	1,045	(3,705)
Effects of		
Expenses not deductible for tax purposes	4,157	4,705
Timing differences	262	-
Utilised losses	(7,181)	-
Differences between capital allowances and depreciation	2,437	(1,000)
Current tax charge for Year	720	-

At the year end the company had tax losses (net of tax computation timing differences) of approximately £47.1 million (2007 - £71.4 million) available for utilisation in future years, subject to agreement with the Inland Revenue

Unrecognised deferred tax

	31 Jan 2007 £'000	Movement in the year £'000	31 Jan 2008 £'000
Accelerated capital allowances	240	2,950	3,190
Tax losses	21,413	(8,213)	13,200
	21,653	(5,263)	16,390
Short term timing differences	188	232	420
Capitalised interest	(4,825)	322	(4,503)
Unrecognised deferred tax assets	17,016	(4,709)	12,307

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 continue to make sufficient taxable 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 the potential liability relating to the multi-storey car park at 31 January 2008 is £2.5 million (2007 - £1.8 million).

LONDON INTERNATIONAL EXHIBITION CENTRE PLC

Notes forming part of the financial statements for the year ended 31 January 2008 (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	231,620	48	3,268	234,936
Additions	1,072	-	15	1,087
Revaluation	2,899	-	-	2,899
Disposals	-	-	-	-
At end of year	235,591	48	3,283	238,922
Cost	226,591	48	3,283	229,922
Revalued amounts - 2007	9,000	-	-	9,000
<i>Depreciation</i>				
At beginning of year	37,318	21	1,972	39,311
Provided for the year	7,651	14	388	8,053
Revaluation	(1,136)	-	-	(1,136)
Disposals	-	-	-	-
At end of year	43,833	35	2,360	46,228
<i>Net book value</i>				
At 31 January 2008	191,758	13	923	192,694
At 31 January 2007	194,302	27	1,296	195,625

Included within the cost of the ExCeL Exhibition Centre is £15.5 million (2007 - £15.5 million) of capitalised interest charges and amortised bond issue costs

The ExCeL Exhibition Centre is held on a long leasehold

Included within ExCeL Exhibition Centre is a multi storey car park, which was revalued in November 2007. 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

The depreciated historical cost of the multi storey car park is £nil

LONDON INTERNATIONAL EXHIBITION CENTRE PLC

Notes forming part of the financial statements for the year ended 31 January 2008 (*Continued*)

8 Debtors

	31 Jan 2008 £'000	31 Jan 2007 £'000
Trade debtors	10,808	10,362
Prepayments and accrued income	329	383
	<u>11,137</u>	<u>10,745</u>

9 Creditors: amounts falling due within one year

	31 Jan 2008 £'000	31 Jan 2007 £'000
<i>Convertible debt</i>		
Shareholder loan	138,646	-
Interest accrued on shareholder loan	3,131	-
	<u>141,777</u>	<u>-</u>
<i>Other creditors</i>		
Trade creditors	4,466	2,582
Payments due on account for construction	277	277
Other tax and social security costs	614	539
Accruals and other creditors	12,612	10,515
Deferred income	12,185	13,038
Amounts owed to group undertakings	17,409	9,200
Corporation tax	720	-
	<u>48,283</u>	<u>36,151</u>

Included in accruals is £38,480 (2007 - £30,302) relating to amounts payable in respect of pension contributions

LONDON INTERNATIONAL EXHIBITION CENTRE PLC

Notes forming part of the financial statements for the year ended 31 January 2008 (Continued)

10 Creditors: amounts falling due after more than one year

	31 Jan 2008 £'000	31 Jan 2008 £'000	31 Jan 2007 £'000	31 Jan 2007 £'000
Non-convertible debt made up of				
Class A Secured Bonds	-		130,000	
- Premium on issue	-		4	
- Unamortised issue costs	-		(2,103)	
- Accrued Bond interest	-		24,595	
Total non-convertible debt		-		152,496
Amounts owed to parent company		10,000		10,000
Deferred income		1,801		1,087
		11,801		163,583

'Amounts owed to parent company' are unsecured with no fixed repayment date No interest has been charged to date

11 Financial Instruments

Risk Management Policies

The Company's financial instruments consist of cash and a loan facility provided by Visionary Properties Ltd which is the majority shareholder in London International Exhibition Centre Holdings PLC, the company's immediate parent company The Board of Directors considers the policies needed to manage the Company's exposure to risk The main risks arising from these types of financial instruments are interest risk and liquidity risk The Company does not face any significant foreign exchange risk Credit risk arising from transactions with customers is managed through negotiation of payment terms which reflect the risk arising from each transaction

Cash at bank and at hand

Cash surplus to the day to day trading requirements of the Company is placed on short term deposits (for terms of less than 1 month) Rates achieved in the current year were between 4.5% and 5.6% (2007 - 4.1% and 5.1%) per annum The liquidity and interest rate risks are managed by selecting investments with a maturity date consistent with the Company's day to day need for cash in its trading activities whilst ensuring that they return a competitive rate of interest

Redemption of the Class A Secured Bonds

During the year the company redeemed the £130,000,000 of Class A Secured Bonds A premium of £12,487,000 over the par value was paid To the extent that interest had been accrued in prior years in excess of this premium it was released to the Profit and Loss Account for the current year All remaining unamortised issue costs were also written off in the year

LONDON INTERNATIONAL EXHIBITION CENTRE PLC

Notes forming part of the financial statements for the year ended 31 January 2008 (Continued)

Shareholder loan facility

The shareholder loan facility bears interest at a rate of 3.0% above LIBOR. Interest is payable quarterly and the facility is repayable in October 2008. The loan facility is unsecured. Included within the facility agreement is an option for Visionary Properties Ltd to convert all or part of the outstanding loan into shares in London International Exhibition Centre PLC at a fixed price. In accordance with FRS 25 this option has been valued using a discounted cashflow model. The discount rate used is 4.5% above LIBOR and values the option at £1,354,000 – see note 14. This reflects the interest rate that would be payable under a comparable loan facility that was not convertible into shares.

12 Share capital

	31 Jan 2008 Number	31 Jan 2008 £'000	31 Jan 2007 Number	31 Jan 2007 £'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 31 January 2007	9,992	5,133	(98,812)
Profit/(loss) for the year	-	-	2,762
Revaluation of multi-storey car park	-	4,035	-
Transfer relating to depreciation on revalued properties	-	(176)	176
At 31 January 2008	9,992	8,992	(95,874)

LONDON INTERNATIONAL EXHIBITION CENTRE PLC

Notes forming part of the financial statements for the year ended 31 January 2008 (Continued)

14 Reconciliation of movement in shareholders' funds

	31 Jan 2008 £'000	31 Jan 2007 £'000
Profit/(loss) for the year	2,762	(12,349)
Gain on revaluation of multi-storey car park	4,035	-
Equity option granted (see note 11)	1,354	-
Movement in shareholders' funds	8,151	(12,349)
Opening shareholders' funds	28,929	41,278
Closing shareholders' funds	37,080	28,929

15 Commitments under operating leases

As at 31 January 2008, the company had annual commitments under non-cancellable operating leases as set out below

	31 Jan 2008 Land and buildings £	31 Jan 2008 Other £	31 Jan 2007 Land and buildings £	31 Jan 2007 Other £
Operating leases which expire				
Within one year	-	-	-	-
In one to two years	-	-	-	-
In two to five years	-	61	-	24
Over five years	203	-	203	-
	203	61	203	24

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

	Year ended 31 Jan 2008 £'000	Year ended 31 Jan 2007 £'000
Operating loss	(4,557)	(6,495)
Depreciation	8,053	7,360
(Increase)/decrease in debtors	(392)	(5,003)
Increase/(decrease) in creditors	11,327	16,176
Net cash inflow from operating activities	14,431	12,038

LONDON INTERNATIONAL EXHIBITION CENTRE PLC

Notes forming part of the financial statements for the year ended 31 January 2008 (*Continued*)

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

	Year ended 31 Jan 2008 £'000	Year ended 31 Jan 2007 £'000
<i>Returns on investments and servicing of finance</i>		
Interest received	1,556	722
Costs and fees upon refinancing the Class A Secured Bonds	(1,244)	-
Net cash inflow from returns on investments and servicing of finance	312	722
<i>Capital expenditure</i>		
Purchase of fixed assets	(1,087)	(6,469)
Disposal of land	2,033	-
	946	(6,469)
Payments in respect of sale of land (see below)	(385)	-
Net cash inflow/(outflow) from capital expenditure	561	(6,469)
<i>Financing</i>		
Redemption of Class A Secured Bonds including fees and costs	(142,487)	-
Shareholder loan facility	140,000	-
Net cash outflow from financing	(2,487)	-

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 year ended 31 January 2008 (Continued)

18 Reconciliation of net cash outflow to movement in net debt

	Year ended 31 Jan 2008	Year ended 31 Jan 2007
	£'000	£'000
Cash inflow for the Year	12,817	6,291
Redemption of Class A bonds	142,487	-
Shareholder loan	(140,000)	-
Movement in net debt resulting from cash flows	15,304	6,291
Amortisation of bond issue costs and premium on issue	(2,099)	(238)
Interest released/(provided) in respect of Class A bonds	12,107	(6,338)
Interest provided in respect of Shareholder loan	(3,131)	-
Movement in net debt in the Year	22,181	(285)
Opening net debt	(140,202)	(139,917)
Closing net debt	(118,021)	(140,202)

19 Analysis of net debt

	31 January 2007	Cash flow	Non cash movements	31 January 2008
	£'000	£'000	£'000	£'000
Cash at bank and in hand	22,293	12,817	-	35,110
Debt due in more than one year (see note 10)	(162,495)	142,487	10,008	(10,000)
Debt due in less than one year (see notes 9 and 11)	-	(140,000)	(3,131)	(143,131)
Net debt	(140,202)	15,304	6,877	(118,021)

Non-cash movements Following the redemption of the Class A Secured Bonds the company charged profits with £2.10 million of bond issue costs (2007 - £0.24 million) and released accrued interest of £12.11 million (2007 - a charge of £6.34 million). The release of accrued interest represented interest accrued in prior years which was in excess of the premium over par value paid on redemption of the bonds. Interest of £3.13 million under the shareholder loan facility was accrued in accordance with FRS 4.

LONDON INTERNATIONAL EXHIBITION CENTRE PLC

Notes forming part of the financial statements for the year ended 31 January 2008 *(Continued)*

20 Ultimate parent company and controlling party

At 31 January 2008 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

The ultimate holding company and controlling party is PanOcean Management Limited ("PanOcean"), a company incorporated in Jersey, Channel Islands. PanOcean is the trustee of a discretionary trust, the beneficiaries of which are members of the family of Ananda Krishnan Tatparanandam and foundations including those for charitable purposes. PanOcean does not have any economic or beneficial interest in the shares of the Company.

21 Related party transactions

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

There were no related party transactions in the current or prior years.