

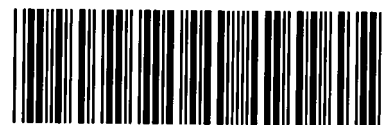
**London International Exhibition
Centre PLC**

Report and Financial Statements

Year Ended

31 December 2017

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COMPANIES HOUSE

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Company secretary

Simon Price

Registered office

3 Bunhill Row, London, EC1Y 8YZ

Company number

03458317

Independent auditors

PricewaterhouseCoopers LLP, 1 Embankment Place, London, WC2N 6RH

London International Exhibition Centre PLC

CHAIRMAN'S STATEMENT

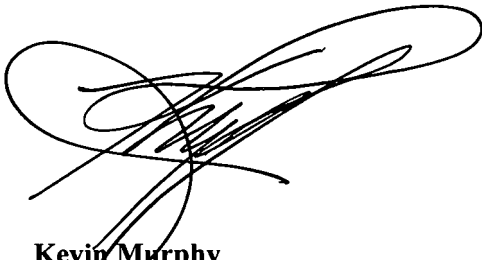
For the year ended 31 December 2017

The year ended 31 December 2017 has seen London International Exhibition Centre PLC further strengthen its position in the UK and international events market. Continued support from the owners, Abu Dhabi National Exhibitions Company ("ADNEC"), has created a positive environment for the Company to deliver exceptional infrastructure and services in the ExCeL London venue. The exhibition and conference facilities at ExCeL London extend to 100,000 square metres of flat floor exhibition space along with a fully flexible 5,000 seat auditorium and extended banqueting facilities, this latter product branded as the International Convention Centre for London (ICC London ExCeL).

Trade and consumer exhibitions have continued to flourish at ExCeL. Major exhibitions belonging to a wide variety of event organisers were hosted during the year, including World Travel Market, EcoBuild, ICE, BETT, DSEI, Protection and Management Series, London Boat Show and Grand Designs Live. The ICC London ExCeL continues to bring unprecedented numbers of new conference and congress events to London. Notable events hosted in the period included Enactus World Cup, ISCT Annual Conference, European Association, European Association of Urology Annual Conference, Offshore Wind, Alzheimer's Association International Conference and Congress of the International Athletics Federation. The corporate world was also well represented with events hosted by (amongst others) Adobe, SAP Success Connect and Google Cloud Next. All events held at ExCeL benefit from the continuity and experience of the management team and the wider staff group. Their knowledge and skills ensure that customers optimise their event potential at ExCel.

The Company is pleased to note progress made through 2017 on the Crossrail scheme which will provide a direct and rapid link to ExCeL from the centre of London and from Heathrow airport. We are looking forward to the opportunities presented by this link after it is delivered in 2018 and further upgrades to the Docklands Light Railway 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 hard work, dedication and commitment. 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. Outstanding results could not have been delivered without them. I must also applaud the consistent support extended to ExCeL by ADNEC and Abu Dhabi.



Kevin Murphy
Chairman

London International Exhibition Centre PLC

DIRECTORS' REPORT

For the year ended 31 December 2017

The directors present their report and the audited financial statements of London International Exhibition Centre PLC (company number 03458317) for the year ended 31 December 2017.

Results and dividends

The statement of comprehensive income is set out on page 11 and shows the profit for the year. The directors do not recommend the payment of a dividend (31 December 2016 - £nil).

The results for the company are as follows:

	31 Dec 2017	31 Dec 2016
	£'000	£'000
Revenue	84,156	73,905
Profit from operating activities	34,508	27,882
Profit before tax	31,094	23,260
Net cash flows from operating activities	35,350	37,404

Principal activities

The principal activities of the company continue to be the operation of the ExCeL London exhibition and conference centre together with the development of property assets on its 100 acre site. The directors have presented a review of the company's business during 2017 and expected future business developments in the Strategic Report immediately following the Directors' Report.

Future Developments

The Directors aim to continue to grow the business through the provision of a world leading venue to host both trade and consumer exhibitions and conferences.

Composition of the board

The following served as directors of the company during the year and up to the date of the signing of the report and financial statements.

Chairman

Kevin Murphy

Executive directors

Philip Dowson (resigned 24 November 2017)

David Pegler (ceased to be a director 24 November 2017)

Non-executive directors

Humaid Matar Al Dhaheri

Michael Henderson

Salah Al Jaedi

Lord King of Bridgwater CH

Mr Ali Murshed Al Marar

Dr. Omniyat Mohammed Jasim Al Hajeri

Mr Hareb Mubarak Abdulla Mohammed Al Muhairi

Saif Saeed Ahmed Saeed Ghobash

Dr. Yousef Al Shaibi Khamis Al Sheryani

H.E. Mohamed Najem Mohamed Al Qubaisi

Steven Norris

Indemnity provision for directors

The company has granted an indemnity to one or more of its directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in section 234 of the Companies Act 2006. Such qualifying third party indemnity provision was in force throughout the year and remains in force at the date of the approval of the report and financial statements.

DIRECTORS' REPORT

For the year ended 31 December 2017

Statement of disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditors in connection with preparing their report, of which the auditors are unaware. Having made enquiries of fellow directors and the company's auditors, each director has taken all the steps he is obliged to take as a director in order to make himself aware of any relevant audit information and to establish that the auditors are aware of that information.

Financial instruments

The company's financial instruments consist of cash, a loan facility provided by ADCG (UK) Limited, a company ultimately owned by Abu Dhabi National Exhibitions Company PJSC who is the ultimate parent company of London International Exhibition Centre Holdings PLC, a loan facility provided by the National Bank of Abu Dhabi, and trade payables and receivables.

Information on the company's use of financial instruments and the management of the risks arising from those instruments is contained within note 23 of the 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.

Important events after the date of the financial statements and future developments

There have been no important events since the end of the financial year that have affected the company. The directors do not consider that there are any likely future developments outside the normal course of business that would affect the company.

Independent auditors

In accordance with section 489 of the Companies Act 2006, a resolution is to be proposed at the annual general meeting for reappointment of PricewaterhouseCoopers LLP as independent auditors of the company.

The financial statements on pages 11 to 35 were approved by the Board of Directors on 14 March 2018 and signed on its behalf by



Kevin Murphy, Director
14 March 2018

STRATEGIC REPORT

For the year ended 31 December 2017

The directors present their strategic report of the activities of London International Exhibition Centre PLC for the year ended 31 December 2017.

Business review and strategy

ExCeL London continues to deliver its vision of being London's premier events destination and has established a strong foot hold on the international events circuit; both for exhibitions and for the international convention and events sectors.

The assets and synergies of ExCeL London and its ultimate parent, the Abu Dhabi National Exhibitions Company PJSC ("ADNEC"), continue to be leveraged with great success. ADNEC share the vision of ExCeL London's Management to further expand and develop the assets of the business. ExCeL London now has just under 100,000 square metres of flat floor exhibition space. Its integral ICC also includes a further conference unit capable of hosting events up to 2,000 delegates, together with a specific flexible hall space that can accommodate up to 5,000 delegates in an easily and quickly deployed tiered-seat auditorium.

The company continues to target what it considers to be the most attractive and profitable markets for its services where it enjoys a competitive advantage in terms of product offering, location, facilities, and service delivery.

The market for the provision of space to the events industry remains highly competitive yet the business continues to achieve success through the strategic targeting of clearly identified events, successful launches, continued investment to improve the facilities and visitor experience, and award winning excellence in its service delivery.

The company operates a credible and highly attractive venue across the event industry spectrum and successfully hosts many large international exhibitions, conferences, conventions and major corporate events.

The company continues to develop plans for both the site and the local area, working in partnership with its key stakeholders to underpin its vision as a world class events destination. In addition to the ExCeL London venue the company also envisions the establishment of a leisure and entertainment district together with additional hotels that will drive alternative revenue streams.

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:

	31 Dec 2017	31 Dec 2016
	£'000	£'000
Change in revenue (%)	13.9%	(4.6%)
Change in EBITDA (%)	18.2%	(3.1%)
Net increase/(decrease) in cash and cash equivalents (£'000)	161	(7,170)

Changes in both revenue and EBITDA in 2017 compared to 2016 can be attributed to the bi-annual nature of the exhibition portfolio. The company continues to perform strongly with regard to attracting and retaining key events at the ExCeL London venue.

Environmental policy

ExCeL London is committed to tackling the challenges of sustainable development and operating as a responsible corporate business. The company implements practices that promote economic security, social and environmental responsibility and will continuously seek to improve performance in these areas. We are committed to working with our suppliers and customers to improve sustainable performance throughout all of our activities and are committed to maintain and operate our sustainability management systems in compliance with both ISO 20121 and ISO 14001 requirements. Our set objectives in the areas

STRATEGIC REPORT

For the year ended 31 December 2017

of sustainability are monitored and measured regularly against our maturity matrix to enable us to continue to improve against our set targets.

All ExCeL London staff are responsible for implementing this policy to ensure that all requirements are being met and for the co-ordination and evaluation of ongoing performance against our sustainability principles, inclusivity, transparency, integrity and stewardship. To deliver this, ExCeL London aims to:

- Ensure the full implementation of this policy throughout all departments, business operations and services, and wherever possible throughout the supply chain.
- Ensure the policy and related sustainability issues are regularly discussed with all employees and training programmes are routinely carried out to ensure all staff are aware of this policy and our 100% commitment to continue measuring and improving our performance.
- Be an industry leader in sustainable development in areas relevant to its business in the events industry; and where appropriate, exceed the basic legislation levels required.
- Work with its clients to pursue, promote and develop sustainable events throughout the entire lifecycle.
- Continue our partnership approach with clients and stakeholders to identify and achieve set goals.
- Continue to work with our suppliers and contractors to develop a green procurement policy that is used across the business.
- Reduce the use of office consumables and waste whilst increasing recycling and the use of more sustainable materials wherever possible.
- Reduce the use of energy throughout our venue, management office and other business operations.

We translated our commitments into a sustainability policy with clear objectives and targets to ensure that sufficient resources have been allocated to enable us achieve our commitments and continually improve our sustainability performance. Our performance will be continually measured against our principles of sustainable development by establishing key performance indicators, emission-reducing schemes, internal audits and management reviews.

After being successfully re-certified for ISO 14001 and 20121 in the summer of 2017, ExCeL London has continued in our efforts to improve our sustainability performance. In 2017 efforts focused on three key areas: reduced waste, increased energy efficiency and ensuring that organisers participate in our objectives. Between January and December 2017, we recycled 2,615 tonnes of waste and created 1,807 tonnes of refuse-derived fuels (RDF) from waste.

ExCeL London also continues to be signed up to the United Nations Global Compact, the largest corporate citizenship and sustainability initiative in the world with over 4,700 corporate participants and stakeholders from over 130 countries. The UN Global Compact is a strategic policy initiative that is committed to aligning operations and strategies with ten universally accepted principles in the areas of human rights, labour, the environment and anti-corruption. The company continues to report its progress annually.

STRATEGIC REPORT

For the year ended 31 December 2017

Corporate social responsibility

The company is committed to supporting the local community. Two key projects which we continued in 2017 were our sponsorship of NASSA (the Newham All Star Sports Academy) and Community Food Enterprise (CFE).

The Newham All Star Sports Academy (NASSA) works with children to provide sports coaching, training and after-school activities to help keep them off the streets. The mentoring talks delivered by NASSA under their 'carry a basketball not a blade' initiative have educated thousands of young people about the dangers of knife crime and gang culture. With the funding that ExCeL provides, NASSA is able to provide primary and secondary school basketball taster sessions across the borough and subsequently reaches up to 2,000 young people every week. These sessions include mentoring talks from the NASSA coaches about the dangers of knife crime and gang culture.

CFE's mission is to work in partnership with the diverse communities of east London providing access to the right food for individual and community health and well-being. The core foundations of the project include:

- Nurseries and schools (Breakfast Clubs and Tuck Shops): CFE supports healthy eating in primary schools throughout east London by providing them with a weekly delivery service of fresh fruit for their tuck shops. They also supply grocery provisions for breakfast clubs in infant, primary and secondary schools as well as vegetables for lunches for toddlers in nurseries.
- Community Support Service (CSS): CFE supports Community Food Projects (CFPs) throughout East London by providing them with a range of services which includes buying, delivering and sharing resources (e.g. equipment). Without this valuable service, many CFPs would not be in a financial position to provide valuable service to their communities.
- Social Food Outlets (Mobile Food Store): To facilitate and promote healthy eating in areas classified as 'Food Deserts', CFE have developed a Mobile Food Store (MFS).
- Food Waste: CFE uses its infrastructure (vehicles, warehouse space and distribution network) to support the work of the Gleaning Network UK (www.feeding5k.org) by collecting, storing and redistributing produce harvested by them from farms throughout England.

In addition to the above programmes, the company provides complimentary event spaces to selected charities, runs venue tours for schools and colleges and, once a year, runs a week long 'ExCeL in the Arts' camp for around 100 children based in Newham, aged from 11-18.

STRATEGIC REPORT

For the year ended 31 December 2017

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 noted 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 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 its key customers and by continually improving the quality of its service delivery.

The commitment to service quality is demonstrated by the many awards which ExCeL London has won during 2016 & 2017 including:

- IT & Telecoms event of the year (C&IT Awards 2017)
- Venue of the Year — AEO Excellence Awards 2017
- Europe's Leading Meetings & Conference Centre - World Travel Awards 2016
- Event Caterer of the Year – Cateys Food Service Awards 2016
- Best UK Conference Centre - C&IT Awards 2016
- Best Conference Venue (over 600) - London Venue Awards

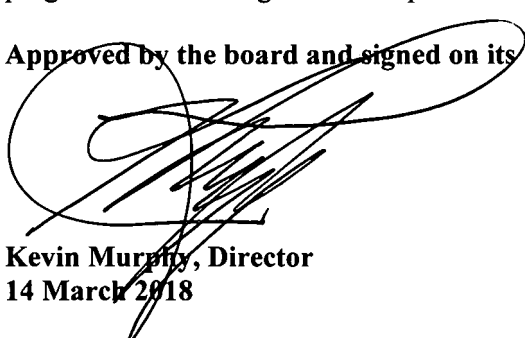
External Threats

The threat posed by terrorism is accepted as being particularly acute in London. Discontinuity of services caused by a terrorist attack or a recession in business tourism in London after an attack could seriously impact the company.

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.

Approved by the board and signed on its behalf



Kevin Murphy, Director
14 March 2018

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable IFRSs as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; 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 adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

The directors 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.

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have 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.

Approved by the board and signed on its behalf

A large, stylized handwritten signature in black ink, appearing to read 'Kevin Murphy', is written over the printed name and date.

Kevin Murphy, Director
14 March 2018

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LONDON INTERNATIONAL EXHIBITION CENTRE PLC

Report on the audit of the financial statements

Opinion

In our opinion, London International Exhibition Centre Plc's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Report and Financial Statements (the "Annual Report"), which comprise: statement of financial position as at 31 December 2017, statement of comprehensive income, statement of cash flows, statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LONDON INTERNATIONAL EXHIBITION CENTRE PLC

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 December 2017 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

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

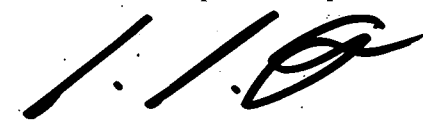
Other required reporting

Companies Act 2006 exception reporting

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

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Craig Skelton (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

15 March 2018

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2017

	Note	31 Dec 2017 £'000	31 Dec 2016 £'000
Revenue	6	84,156	73,905
Direct operating expenses	7	(31,552)	(27,817)
Depreciation	13	(11,179)	(10,764)
GROSS PROFIT		41,425	35,324
Administrative expenses	8	(6,917)	(7,442)
PROFIT FROM OPERATING ACTIVITIES		34,508	27,882
Finance income	10	77	126
Finance cost	11	(3,491)	(4,748)
PROFIT BEFORE TAX		31,094	23,260
Taxation	12	(5,779)	(5,644)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		25,315	17,616

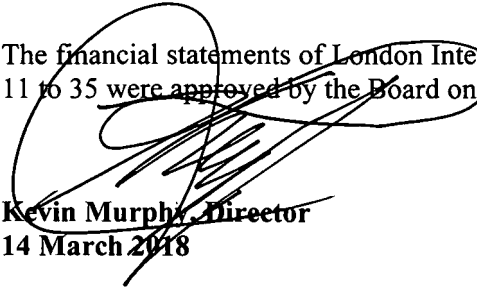
The notes on pages 15 to 35 form part of these financial statements.

London International Exhibition Centre PLC**STATEMENT OF FINANCIAL POSITION**

At 31 December 2017

	Note	31 Dec 2017 £'000	31 Dec 2016 £'000
Non-current assets			
Property, plant and equipment	13	278,486	286,640
Amounts owed by group company	14	11,502	11,498
		289,988	298,138
Current assets			
Inventory		72	66
Accounts receivable and prepayments	14	20,919	15,001
Other financial assets	19	-	10,272
Cash and cash equivalents	15	11,116	10,955
		32,107	36,294
TOTAL ASSETS		322,095	334,432
Total equity			
Share capital	16	(72,233)	(72,233)
Other reserves		(59,367)	(59,367)
Accumulated losses		4,808	30,123
		(126,792)	(101,477)
Non-current liabilities			
Bank borrowings	17	(39,729)	(55,582)
Amounts owed to group companies	18	(89,405)	(112,659)
Deferred income		(11,994)	(10,488)
Accounts payable and accruals	20	(258)	(1,412)
		(141,386)	(180,141)
Current liabilities			
Bank borrowings	17	(15,852)	(15,852)
Deferred income		(21,966)	(23,429)
Accounts payable and accruals	20	(15,290)	(12,515)
Deferred taxation	12	(809)	(1,018)
		(53,917)	(52,814)
TOTAL EQUITY AND LIABILITIES		(322,095)	(334,432)

The financial statements of London International Exhibition Centre PLC (company number 03458317) on pages 11 to 35 were approved by the Board on 14 March 2018.


Kevin Murphy, Director
 14 March 2018

The notes on pages 15 to 35 form part of these financial statements.

London International Exhibition Centre PLC**STATEMENT OF CASH FLOWS**

For the year ended 31 December 2017

	31 Dec 2017 £'000	31 Dec 2016 £'000
OPERATING ACTIVITIES		
Profit before tax	31,094	23,260
Adjustments for non-cash items:		
Finance income	(77)	(126)
Finance expense	3,491	4,748
Profit on disposal of property, plant and equipment	-	-
Depreciation of property, plant and equipment	11,179	10,764
Working capital adjustments:		
Movements in accounts receivable and prepayments	(4,436)	2,863
Movements in accounts payable and accruals	(2,518)	(1,713)
Movements in inventory	(6)	(64)
	7,633	16,472
Tax paid	(3,377)	(2,328)
Net cash flows from operating activities	35,350	37,404
INVESTING ACTIVITIES		
Sale of short term investments	10,349	-
Interest received	14	45
Purchase of property, plant and equipment	(3,024)	(4,804)
Net cash flows generated from/(used in) investing activities	7,339	(4,759)
FINANCING ACTIVITIES		
Interest paid	(4,028)	(3,815)
Repayment of borrowings	(38,500)	(36,000)
Net cash flows used in financing activities	(42,528)	(39,815)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	161	(7,170)
Cash and cash equivalents at beginning of year	10,955	18,125
Cash and cash equivalents at end of year	11,116	10,955

The notes on pages 15 to 35 form part of these financial statements.

London International Exhibition Centre PLC

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2017

	Share capital £'000	Share premium £'000	Capital contribution £'000	Revaluation reserve £'000	Accumulated losses £'000	Total equity £'000
<i>For the year ended 31 December 2017</i>						
At 1 January 2017	72,233	40,383	9,992	8,992	(30,123)	101,477
Profit for the year	-	-	-	-	25,315	25,315
At 31 December 2017	72,233	40,383	9,992	8,992	(4,808)	126,792
<i>For the year ended 31 December 2016</i>						
At 1 January 2016	72,233	40,383	9,992	8,992	(47,739)	83,861
Profit for the year	-	-	-	-	17,616	17,616
At 31 December 2016	72,233	40,383	9,992	8,992	(30,123)	101,477

Capital contribution

This reserve represents amounts of capital subscribed by the immediate parent company by means other than the issue of share capital.

Revaluation reserve

The revaluation reserve shows the surpluses arising on revaluation of items of property, plant and equipment which are still owned by the company.

The notes on pages 15 to 35 form part of these financial statements.

1 CORPORATE INFORMATION

The financial statements of London International Exhibition Centre PLC ("the company") for the year ended 31 December 2017 were authorised for issue in accordance with a resolution of the board of directors on 14 March 2018.

The company is a public limited company registered in England and Wales. The registered office of the company is 3 Bunhill Row, London, EC1Y 8YZ. The entity is domiciled and incorporated in the United Kingdom.

The principal activities of the company continue to be the operation of the ExCeL London exhibition and conference centre together with the development of property assets on its 100 acre site as described in the directors' report.

2 BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

Basis of preparation

The financial statements of the company have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union and interpretations issued by the IFRS Interpretations Committee (IFRS IC). The financial statements are presented in United Kingdom Pounds Sterling which is the functional currency of the company. All amounts have been rounded to the nearest thousand pounds (£'000) unless indicated otherwise.

Statement of compliance

The financial statements of the company have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union and the applicable requirements of the Companies Act 2006 as applicable to companies using IFRS.

3 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the company's financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. These judgements and estimates are based on management's best knowledge of the relevant facts and circumstances, with regard to prior experience, but actual results may differ from the amounts included in these financial statements. Information about such judgements and estimates is contained in the accounting policies and/or the notes to the financial statements.

Judgements

Areas of judgement, apart from those involving estimations, that have the most significant effect on the amounts recognised in the consolidated financial statements are:

Indicators of impairment of tangible assets

Management determines whether there are any indications of impairment to property, plant and equipment at each reporting date, and only determines the recoverable amount of such property, plant and equipment if such indicators exist.

3 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS
(continued)

Going concern

The financial statements have been prepared on the going concern basis as it is the Directors' opinion that the group will continue as a going concern for the foreseeable future. In making this judgement the Directors have made enquiries, taken into account that a significant portion of the group's liabilities relates to a shareholder loan (see note 18), and the group holds substantial cash generating assets in the heart of London's docklands.

Recognition of deferred tax assets

The recognition of deferred tax assets is based upon whether it is probable that sufficient and suitable taxable profits will be available in the future, against which the reversal of temporary differences can be deducted. Recognition, therefore, involves judgement regarding the future financial performance of the group.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the company. Such changes are reflected in the assumptions when they occur.

Useful life and recoverable amount of property, plant and equipment

In determining the carrying amount of property, plant and equipment, management uses estimation of the expected useful life and recoverable amounts of particular assets.

4 PRINCIPAL ACCOUNTING POLICIES

The following principal accounting policies have been applied consistently in these financial statements:

Going concern

The financial statements have been prepared on the going concern basis. The company's operations are partially funded by a loan facility provided by the ultimate parent company via an intermediate parent company based in the United Kingdom. Further details of the loan facility are given in note 18 of these financial statements.

Revenue

Revenue represents sales to third parties, net of value added tax. Revenue in respect of events, rents and commissions is recognised over the time period that the event, rent or commission relates to. Other revenues are recognised by reference to the stage of completion of the services being provided.

Deferred income

Deferred income represents amounts invoiced by the company in respect of future events to be held at the ExCeL London venue after the reporting date.

4 PRINCIPAL ACCOUNTING POLICIES (continued)

Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and accumulated impairment losses.

Management determines whether there are any indications of impairment to property, plant and equipment at each reporting date. Property, plant and equipment is tested for impairment when there are indicators that the carrying value of assets may not be recoverable. An impairment exists when the carrying value of property, plant or equipment is greater than its recoverable amount which is defined as the greater of fair value less costs to sell and the value in use. The calculation of fair value less costs to sell is based on available data from binding sales of similar assets in arm's length transactions. The value in use calculation is based on a cash flow model. Calculating the value in use requires the company to make estimates of future cash flows. Any impairment of property, plant and equipment is charged to the income statement in the year of impairment.

Depreciation is provided on all property, plant and equipment to write off the cost, less estimated residual values, over their expected useful lives on a straight-line basis according to the following categories of asset.

Buildings including plant and machinery	-	between 2% and 50% on cost
Motor vehicles	-	33% on cost
Fittings, fixtures & equipment	-	between 4% and 50% on cost

Management may use judgement to determine the expected useful life of particular assets where it is deemed that their expected useful life is significantly different to the expected useful life of the general category of assets to which they are allocated.

Assets under construction are capitalised as construction progresses. The value capitalised represents the stage of completion of the asset. No depreciation is provided on assets until they are completed and available for use. Interest payable that is directly attributable to the construction of property, plant and equipment is capitalised as part of the cost of these assets during the period of construction. Capitalisation of finance costs ceases upon completion of construction.

Accounts receivable

Accounts receivable are stated at the original invoiced amount less a provision for any uncollectible amounts. An estimate of the collectible amount of accounts receivable is made when collection of the full amount is no longer probable. For individually significant amounts, this estimation is performed on an individual basis. Amounts which are not individually significant, but which are past due, are assessed collectively and a provision is applied according to the length of time past due, based on historical recovery rates. Bad debts are written off when there is no possibility of recovery.

4 PRINCIPAL ACCOUNTING POLICIES (continued)

Stock and inventory

Stock and inventory are valued at the lower of cost and net realisable value.

Cash and cash equivalents

Cash and cash equivalents consist of cash in hand, bank balances and short-term deposits with an original maturity of three months or less.

Current taxation

The charge for current taxation for the year is based on the result for the year, adjusted for disallowable items. The computation is based on the tax rates and tax laws that are fully or substantially enacted at the date of the statement of financial position.

The company is subject to routine tax audits and also to a process whereby tax computations are discussed and agreed with the appropriate authorities. Whilst the outcome of such tax audits and discussions cannot be determined with certainty, management estimates the level of provisions required for both current and deferred tax on the basis of professional advice and the nature of current discussions with the tax authority concerned.

Deferred taxation

Deferred income tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred income tax liabilities are recognised for all taxable temporary differences, except where the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred income tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply at the time when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date. Deferred income tax relating to items recognised directly in equity is recognised in equity and not in the income statement. Deferred income tax assets and deferred income tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income tax assets or liabilities relate to the same taxation authority.

Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

4 PRINCIPAL ACCOUNTING POLICIES (*continued*)

Accounts payable and accruals

Liabilities are recognised for amounts to be paid in the future for goods or services received, whether billed by the supplier or not. Trade payables are non-interest bearing and are normally settled between 30 and 45 days after the date of invoice.

Interest payable and receivable

Interest payable and receivable is recognised as it accrues.

Leased assets

For operating leases annual rentals are charged to the income statement on a straight-line basis over the term of the lease.

Pension costs

Contributions to the group's defined contribution pension scheme are charged to the income statement in the year in which they become payable. The company also makes contributions to the personal defined contribution schemes of key management and made contributions to the personal defined contribution schemes of directors in the prior year.

Financial liabilities and derivative financial instruments

Financial liabilities within the scope of IAS 39 are classified as financial liabilities at fair value through profit or loss, or loans and borrowings as appropriate. The company determines the classification of its financial liabilities at initial recognition. Financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, include directly attributable transaction costs.

The company's financial liabilities include trade and other payables and interest-bearing bank loans.

The subsequent measurement of financial liabilities depends on their classification. The company's derivative financial instruments are classified at fair value through profit or loss and any movement in their fair value is immediately recognised in the income statement. Interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest amortisation is included in finance costs in the income statement.

Bank borrowings

Gains and losses are recognised in the income statement when the liabilities are derecognised as well as through the amortisation process.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

5 NEW ACCOUNTING STANDARDS AND INTERPRETATIONS

The company has applied, for the first time, the following financial accounting standards and interpretations in these financial statements however they do not impact the financial statements of the company.

IAS 16	Property, Plant & Equipment (annual improvement process): revaluation methods, proportionate restatement
IAS 24	Related Party Disclosures (annual improvement process): key management personnel
IFRS 8	Operating Segments (annual improvement process): aggregation of segments and reconciliation of assets
IFRS 13	Fair Value Measurement (annual improvement process): short-term receivables and payables

The IASB has issued the following new accounting standards and updates to existing accounting standards with an effective date after the date of these financial statements which the directors expect to be relevant to the company:

<i>International Accounting Standards (IAS/IFRS)</i>		<i>Effective for periods that begin on or after</i>
IAS 16	Property, Plant & Equipment; amendments in respect of acceptable methods of depreciation	1 January 2017
IFRS 15	Revenue from contracts with customers	1 January 2017
IFRS 9	Financial Instruments – Classification and measurement	1 January 2018

The company expects to apply these standards from the date that they become effective. The Directors have performed an assessment on IFRS 15 and concluded that there is no material impact on the financial statements.

6 SEGMENT INFORMATION

For management purposes the company is organised into a single operating and reportable segment; the exhibitions and conferences segment which operates and manages the ExCeL London venue. All segment revenue represents transactions with third parties and is generated in the United Kingdom. Because the company comprises only one reportable segment, no further breakdown of segmental performance is presented.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 31 December 2017

7 DIRECT OPERATING EXPENSES

	31 Dec 2017 £'000	31 Dec 2016 £'000
Marketing and advertising	778	608
Security and cleaning	2,860	2,366
Staff costs (see note 9)	13,089	13,199
Venue maintenance and facilities management	1,606	1,189
Other operating costs	13,219	10,455
	31,552	27,817

8 ADMINISTRATIVE EXPENSES

	31 Dec 2017 £'000	31 Dec 2016 £'000
Estate management and property development	2,715	3,307
Auditors' remuneration for audit services – current auditors	90	90
Other professional fees	418	341
Other administrative expenses	3,694	3,704
	6,917	7,442

9 STAFF COSTS

	31 Dec 2017 £'000	31 Dec 2016 £'000
Staff costs (including directors' emoluments) consist of:		
Wages and salaries	9,678	8,614
Long-term incentive plans	1,101	1,672
Social security costs	1,224	1,480
Pension costs (defined contribution scheme)	627	614
Other costs	459	819
	13,089	13,199
	Number	Number
The monthly average number of employees during the year	197	193

Details of directors' emoluments are given in note 21 to these financial statements.

10 FINANCE INCOME

	31 Dec 2017 £'000	31 Dec 2016 £'000
Bank interest income	77	126
	<u>77</u>	<u>126</u>

11 FINANCE COST

	31 Dec 2017 £'000	31 Dec 2016 £'000
Interest payable on bank borrowings	1,518	2,084
Amortisation of bank loan issue costs	148	148
Interest payable on parent company loan	1,825	2,516
	<u>3,491</u>	<u>4,748</u>

12 TAXATION

	31 Dec 2017 £'000	31 Dec 2016 £'000
Total tax charge	5,779	5,644
<i>Tax reconciliation</i>		
Profit before tax	31,094	23,260
Charge on profit before tax at standard rate of corporation tax in the UK of 19.25% (December 2016 – 20%)	5,986	4,856
Effects of:		
Expenses not deductible for tax purposes	99	87
Income not taxable for tax purposes	-	-
Fixed asset differences	1,751	1,657
Current year movement in unprovided deferred tax	-	-
Group relief claimed	(2,059)	(624)
Adjustments to tax charge in respect of prior periods	18	-
Adjustments to deferred tax in respect of prior periods	(16)	(332)
Adjustment of deferred tax to current tax rate	-	-
Total tax charge	<u>5,779</u>	<u>5,644</u>

12 TAXATION (continued)

The main rate of UK corporation tax has decreased from 21% to 20% from 1 April 2016 and further reduced to 19% from 1 April 2017. It will reduce to 18% from 1 April 2020. As this change has been substantively enacted before the reporting date deferred tax is recognised at 18% as at 31 December 2017.

At the year end the company had tax losses of £nil (31 December 2016 - £nil) that are available for offset against future taxable trading profits, subject to agreement with HMRC.

The company has determined that sufficient certainty exists over the company's ability to utilise these tax losses to require the recognition of deferred tax assets. This assessment is based on the company's recent history of profitability. The company is forecast to utilise these losses within two years.

	31 Dec 2016 £'000	Movement in year £'000	31 Dec 2017 £'000
<i>Deferred tax liability</i>			
Fixed asset temporary differences	(1,028)	(576)	(1,604)
	<u>(1,028)</u>	<u>(576)</u>	<u>(1,604)</u>
<i>Recognised deferred tax asset</i>			
Other temporary differences	10	785	795
	<u>10</u>	<u>785</u>	<u>795</u>
Total deferred tax (asset)/liability	<u>1,018</u>	<u>209</u>	<u>809</u>

13 PROPERTY, PLANT AND EQUIPMENT

At 31 December 2017

	Buildings inc plant and machinery £'000	Motor vehicles £'000	Fixtures, fittings and equipment £'000	Total £'000
<i>Cost</i>				
At 1 January 2017	394,511	64	16,045	410,620
Additions	-	-	3,025	3,025
Disposals	-	-	-	-
At 31 December 2017	394,511	64	19,070	413,645
<i>Accumulated Depreciation</i>				
At 1 January 2017	(115,517)	(64)	(8,399)	(123,980)
Provided for the year	(9,115)	-	(2,064)	(11,179)
Disposals	-	-	-	-
At 31 December 2017	(124,632)	(64)	(10,463)	(135,159)
<i>Net book value</i>				
At 31 December 2017	269,879	(0)	8,607	278,486
At 31 December 2016	278,994	(0)	7,646	286,640
<i>Assets in the course of construction included above in Cost and Net Book Value</i>				
At 31 December 2017	1,860	-	-	1,860
At 31 December 2016	9,543	-	-	9,543

13 PROPERTY, PLANT AND EQUIPMENT *(continued)*

At 31 December 2016

	Buildings inc plant and machinery £'000	Motor vehicles £'000	Fixtures, fittings and equipment £'000	Total £'000
<i>Cost</i>				
At 1 January 2016	394,511	64	11,241	405,816
Additions	-	-	4,804	4,804
Disposals	-	-	-	-
At 31 December 2016	394,511	64	16,045	410,620
<i>Accumulated Depreciation</i>				
At 1 January 2016	(105,629)	(63)	(7,524)	(113,216)
Provided for the year	(9,888)	(1)	(875)	(10,764)
Disposals	-	-	-	-
At 31 December 2016	(115,517)	(64)	(8,399)	(123,980)
<i>Net book value</i>				
At 31 December 2016	278,994	(0)	7,646	286,640
At 31 December 2015	288,882	1	3,717	292,600
<i>Assets in the course of construction included above in Cost and Net Book Value</i>				
At 31 December 2016	9,543	-	-	9,543
At 31 December 2015	5,506	-	-	5,506

14 ACCOUNTS RECEIVABLE AND PREPAYMENTS

Non-current

	31 Dec 2017 £'000	31 Dec 2016 £'000
Amount owed by group company	11,502	11,498
	<u>11,502</u>	<u>11,498</u>

'Amount owed by group company' represents a balance owed by ADCG Hotels Limited. The balance is unsecured and repayable on demand. No interest has been charged to date. The company continues to provide an undertaking to ADCG Hotels Limited that it will only demand repayment of all or part of the balance or charge interest subject to a minimum 12 month notice period. Therefore at 31 December 2017 this balance continues to be classified as non-current.

Current

	31 Dec 2017 £'000	31 Dec 2016 £'000
Trade receivables	17,748	13,221
Provision for impairment of trade receivables	(242)	(242)
	<u>17,506</u>	<u>12,979</u>
Unimpaired trade receivables	17,506	12,979
Prepayments, other debtors and accrued income	1,142	1,864
Amounts owed by group companies	2,271	144
Interest receivable	-	14
	<u>20,919</u>	<u>15,001</u>

Trade receivables are non-interest bearing and are generally on 30 day terms. 'Amounts owed by group companies' are unsecured with no fixed repayment date. No interest has been charged to date.

14 ACCOUNTS RECEIVABLE AND PREPAYMENTS (continued)

Impairment of trade receivables

At 31 December 2017, trade receivables with a value of £242,440 (31 December 2016 – £242,440) were impaired and provided for. The movement in the provision for impairment is shown below:

	Individually impaired £'000	Collectively impaired £'000	Total £'000
<i>Year ended 31 December 2017</i>			
At 31 December 2016	212	30	242
Charge for the year	-	-	-
At 31 December 2017	212	30	242
<i>Year ended 31 December 2016</i>			
At 31 December 2015	37	30	67
Charge for the year	175	-	175
At 31 December 2016	212	30	242

The ageing of unimpaired trade receivables at the financial statements reporting date was as follows:

£'000	Total balance	Not yet past due	Less than 30 days past due	More than 30 days past due	More than 60 days past due
31 December 2017	17,506	7,742	4,428	1,535	3,801
31 December 2016	12,979	6,298	3,332	2,097	1,252

Unimpaired receivables are expected on the basis of past experience to be fully collectable. The company therefore considers carrying value of trade receivables to be equivalent to fair value. It is not the practice of the company to obtain security or collateral over receivables and therefore they are unsecured.

15 CASH AND CASH EQUIVALENTS

	31 Dec 2017 £'000	31 Dec 2016 £'000
Bank balances	11,116	10,955
	<u>11,116</u>	<u>10,955</u>

Cash surplus to the day-to-day trading requirements of the company is placed on short-term deposits. 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.

16 SHARE CAPITAL

At 31 December 2017 and 31 December 2016

	Number	£'000
<i>Allotted, called up and fully paid</i>		
Ordinary shares of £1 each	72,233	72,233
	<u>72,233</u>	<u>72,233</u>

17 BANK BORROWINGS

	Due within one year		Due after one year	
	31 Dec 2017 £'000	31 Dec 2016 £'000	31 Dec 2017 £'000	31 Dec 2016 £'000
Construction loan facility	16,000	16,000	40,000	56,000
Unamortised facility fee	(148)	(148)	(269)	(418)
	<u>15,852</u>	<u>15,852</u>	<u>39,729</u>	<u>55,582</u>

The construction loan facility provided by the National Bank of Abu Dhabi was used to finance the construction of the extension to the ExCeL Exhibition Centre. The maximum size of the facility is £152 million. The facility is secured upon the property, plant and equipment of the Company (see note 13).

Interest accrues at a rate of 1.5% above LIBOR and is payable semi-annually. The facility is repayable in instalments between 2012 and 2020.

18 AMOUNTS OWED TO GROUP COMPANIES

	31 Dec 2017 £'000	31 Dec 2016 £'000
Shareholder loan	77,500	100,000
Interest accrued on shareholder loan	1,905	2,659
	79,405	102,659
Amount owed to parent company	10,000	10,000
	89,405	112,659

The shareholder loan is provided by Abu Dhabi National Exhibitions Company PJSC through its UK subsidiary ADCG (UK) Limited which is the immediate parent company of London International Exhibition Centre Holdings PLC, the parent company of the company. The shareholder loan accrues interest at a rate of 1.0% above LIBOR and is secured on the assets of the company. During the year the company elected to pay £22,500,000 of the outstanding loan principal and £3,814,931 of accrued interest to ADCG (UK) Limited (2016 – principal of £20,000,000). Notwithstanding this payment, ADCG (UK) Limited continues to provide an undertaking to the company that it will only demand repayment of all or part of the shareholder loan and accrued interest subject to a minimum 12 month notice period. Therefore at 31 December 2017 this balance continues to be classified as non-current.

'Amount owed to parent company' represents a balance owed to London International Exhibition Centre Holdings PLC. The balance is unsecured with no fixed repayment date. No interest has been charged to date. London International Exhibition Centre Holdings PLC has provided an undertaking to the company that it will only demand repayment of all or part of the balance subject to a minimum 12 month notice period. Therefore at 31 December 2017 this balance continues to be classified as non-current.

19 OTHER FINANCIAL ASSETS

	31 Dec 2017 £'000	31 Dec 2016 £'000
Deposits with a maturity of more than three months		
And less than one year	-	10,272
	-	10,272

Other financial assets related to a one year treasury deposit held with the National Bank of Abu Dhabi at an interest rate of 0.7%, maturing on 5 November 2017. This deposit is classified as a financial asset rather than a cash and cash equivalent due to the penalty clauses applicable in the case of a premature draw down.

20 ACCOUNTS PAYABLE AND ACCRUALS

	31 Dec 2017 £'000	31 Dec 2016 £'000
<i>Amounts payable within one year</i>		
Interest payable on construction loan facility	546	478
Trade payables	1,651	2,315
VAT payable	942	404
Other tax and social security creditors	380	335
Corporation tax payable	3,847	1,235
Accruals and other creditors	7,278	7,275
Amounts accrued under long-term employee incentive plans	646	473
	15,290	12,515
<i>Amounts payable after one year</i>		
Amounts accrued under long-term employee incentive plans	258	1,412
	258	1,412

21 RELATED PARTY TRANSACTIONS

Related parties of the company are comprised of other group companies that are controlled by the ultimate parent company and the directors and key management of the company. Pricing policies and terms of transactions with related parties are approved by the group's management.

Compensation of directors and other key management

	Directors		Other key management	
	31 Dec 2017 £'000	31 Dec 2016 £'000	31 Dec 2017 £'000	31 Dec 2016 £'000
Salaries and other emoluments	1,437	1,598	956	1,167
Long-term incentive plans	-	1,807	203	186
Pension contributions	104	121	87	72
	1,541	3,526	1,246	1,425

During the year the highest paid director received emoluments of £792,693 (31 December 2016 – £836,679), long-term incentive plans of £nil (31 December 2016 – £1,040,000) and pension contributions of £60,405 (31 December 2016 – £72,866). The company made contributions to the defined contribution pension schemes of two directors during the year (31 December 2016 – two directors).

21 RELATED PARTY TRANSACTIONS (continued)

Amounts accrued for long-term incentive plans in respect of directors and other key management

The table presented above discloses amounts actually paid to directors and other key management during the year exclusive of employer's social security contributions. The amounts accrued by the company during the year for directors and other key management under long-term incentive plans inclusive of provision for employer's social security costs at the rate prevailing at the reporting date are presented below. The amounts accrued at the year end are included within amounts disclosed in note 21.

	31 Dec 2017 £'000	31 Dec 2016 £'000
Accrued at the beginning of the year	1,886	2,629
Amounts accrued in the year inclusive of provision for employer's social security contributions	772	1,903
Paid to directors and other key management	(414)	(2,325)
Employer's social security contributions paid	(57)	(321)
Amounts accrued at the year end	<u>2,187</u>	<u>1,886</u>

Transactions with other group companies

ADCG (UK) Limited, the parent company of London International Exhibition Centre Holdings PLC, the Company's immediate parent company, has provided London International Exhibition Centre PLC with a loan of £140 million (the "shareholder loan"). Further details relating to the shareholder loan, the interest accruing during the year and the balances outstanding at the reporting date are disclosed in note 17 of these financial statements.

London International Exhibition Centre PLC charged ADCG (UK) Limited with £74,051 (31 December 2016 - £1,300) of administrative and management expenses during the year. At the reporting date the balance outstanding was a balance owed to London International Exhibition Centre PLC of £61,651 (31 December 2016 - owed to London International Exhibition Centre PLC, £131,198). Outstanding balances are unsecured.

During the year London International Exhibition Centre PLC paid £4,075 (31 December 2016 - £ nil) of professional fees and other costs related to the management of a hotel owned by a fellow group company, ADCG Hotels Limited. The balance outstanding owing to London International Exhibition Centre PLC at the reporting date was £11,501,642 (31 December 2016 - owed to London International Exhibition Centre PLC £11,497,567). The outstanding balance is unsecured.

The company's ultimate parent company, Abu Dhabi National Exhibitions Company PJSC, charged London International Exhibition Centre PLC with £160,584 of administrative and management expenses during the year (31 December 2016 - £117,992). London International Exhibition Centre PLC charged Abu Dhabi National Exhibitions Company PJSC with £42,255 of administrative and management costs during the year (31 December 2016 - £45,807). At the reporting date the net

21 RELATED PARTY TRANSACTIONS (*continued*)

amount outstanding was a balance owed to London International Exhibition Centre of £42,255 (31 December 2016 – owed to London International Exhibition Centre PLC, £45,807). Outstanding balances relating to administrative and management expenses are included within the company's trade receivables balance and payables balances as relevant and are unsecured.

Fees in respect of the annual audit of ADCG Hotels Limited, London International Exhibition Centre Holdings PLC and ADCG (UK) Limited are all borne by the company. There were no other related party transactions requiring disclosure in the current year.

22 PARENT COMPANY AND ULTIMATE CONTROLLING PARTY

The company's ultimate parent company and controlling party is Abu Dhabi National Exhibitions Company PJSC, a company incorporated in the United Arab Emirates. The company's immediate parent company is London International Exhibition Centre Holdings PLC, a company incorporated in England and Wales.

The smallest group into which the company's financial statements are consolidated is ADCG (UK) Limited, an intermediate holding company incorporated in England and Wales. The company's financial statements are also consolidated into the financial statements of the ultimate parent company, Abu Dhabi National Exhibitions Company PJSC.

23 FINANCIAL RISK MANAGEMENT

The company, during the normal course of its operations, is exposed to credit risk arising from its transactions with customers, interest rate risk arising from its floating rate borrowings, liquidity risk arising from its obligations to pay suppliers and other creditors and its transactions with customers, and foreign exchange risk arising from customers who have contracted to pay the company in currencies other than pounds sterling.

Foreign Exchange Risk

From time to time the company may contract with certain customers to receive payment for events in currencies other than pounds sterling. Where the foreign exchange risk is considered to be significant the company manages this risk through entering into forward contracts to exchange the foreign currency for pounds sterling after it is received from the customer. The aggregate amount of pounds sterling receivable by the company under open forward currency exchange contracts at 31 December 2017 is £nil (31 December 2016 – £nil). No forward contracts were entered into during the year (2016 – none). The fair value of such derivative contracts is determined using open market forward exchange rates matching the maturities of the contracts and any gain or loss is recognised in the statement of comprehensive income for the year. The directors are of the opinion that the fair value of forward currency exchange contracts should be measured using 'Level 2 – significant observable inputs' according to the terms of IFRS 13 'Fair Value Measurement'.

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The company is exposed to credit risk on its bank balances and receivables as follows.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 31 December 2017

23 FINANCIAL RISK MANAGEMENT (*continued*)

	31 Dec 2017 £'000	31 Dec 2016 £'000
Cash and cash equivalents	11,116	10,955
Other financial assets	-	10,272
Receivables	17,506	12,979
	28,622	34,206

The company seeks to limit its credit risk with respect to banks by only dealing with reputable banks and with respect to customers by establishing procedures to minimise the risk of default by trade debtors. These procedures include undertaking credit verification before engaging in trade with customers, the setting of appropriate credit limits and proactive monitoring of outstanding receivables on an aged basis. The company actively reviews its receivable balances for evidence of impairment. Details of the impairment of trade receivable balances are given in note 14.

Liquidity risk

The tables below summarise the maturities of the company's financial liabilities at the reporting date based on undiscounted payments and current market interest rates.

Non derivative financial liabilities

	Less than 3 months £'000	3 to 12 months £'000	1 to 5 years £'000	More than 5 years £'000	Total £'000
<i>At 31 December 2017</i>					
<i>Interest bearing financial liabilities</i>					
Construction loan facility	-	16,000	40,000	-	56,000
Accrued interest	-	1,464	976	-	2,440
Shareholder loan	-	-	77,500	-	77,500
Accrued interest on shareholder loan	-	-	3,360	-	3,360
	-	17,464	121,836	-	139,300
<i>Non interest bearing financial liabilities</i>					
Amounts owed to parent company	-	-	10,000	-	10,000
Trade and other payables	2,973	-	-	-	2,973
	2,973	17,464	131,836	-	152,273

23 FINANCIAL RISK MANAGEMENT (continued)

	Less than 3 months £'000	3 to 12 months £'000	1 to 5 years £'000	More than 5 years £'000	Total £'000
<i>At 31 December 2016</i>					
<i>Interest bearing financial liabilities</i>					
Construction loan facility	-	16,000	56,000	-	72,000
Accrued interest	-	1,464	2,440	-	3,904
Shareholder loan	-	-	100,000	-	100,000
Accrued interest on shareholder loan	-	-	4,336	-	4,336
	-	17,464	162,776	-	180,240
<i>Non interest bearing financial liabilities</i>					
Amounts owed to parent company	-	-	10,000	-	10,000
Trade and other payables	3,054	-	-	-	3,054
	3,054	17,464	172,776	-	193,294

24 COMMITMENTS UNDER OPERATING LEASES

Future total undiscounted minimum rentals payable under non-cancellable operating leases are as follows:

	31 Dec 2017 £'000	31 Dec 2016 £'000
Within one year	373	364
After one year, but not more than five years	1,083	1,114
More than five years	927	923
	2,383	2,401

25 SUBSIDIARY COMPANIES

The following companies are directly held subsidiaries of the company at both 31 December 2017 and 31 December 2016:

% holding					
Company name	Address	or indirect interest	Country of incorporation	Nature of business	
<i>Directly held</i>					
LIEC Phase 3 EE4A Limited	3 Bunhill Row London, UK, EC1Y 8YZ	100%	England & Wales	Dormant	
LIEC Phase 3 EE4B Limited	3 Bunhill Row London, UK, EC1Y 8YZ	100%	England & Wales	Dormant	
LIEC Phase 3 EE1 Limited	3 Bunhill Row London, UK, EC1Y 8YZ	100%	England & Wales	Dormant	
LIEC Phase 3 EE2 Limited	3 Bunhill Row London, UK, EC1Y 8YZ	100%	England & Wales	Dormant	
LIEC Phase 3 WE8 Limited	3 Bunhill Row London, UK, EC1Y 8YZ	100%	England & Wales	Dormant	
LIEC Phase 3 WE4A Limited	3 Bunhill Row London, UK, EC1Y 8YZ	100%	England & Wales	Active	
LIEC Phase 3 WE4B Limited	3 Bunhill Row London, UK, EC1Y 8YZ	100%	England & Wales	Active	
LIEC Phase 3 WE9A Limited	3 Bunhill Row London, UK, EC1Y 8YZ	100%	England & Wales	Dormant	
LIEC Phase 3 WE9B Limited	3 Bunhill Row London, UK, EC1Y 8YZ	100%	England & Wales	Dormant	
LIEC Phase 3 WE9C Limited	3 Bunhill Row London, UK, EC1Y 8YZ	100%	England & Wales	Dormant	
<i>Indirectly held via intermediate holding companies</i>					
Western Gateway 2 LLP	140 Aldergate Street London, UK, EC1A 4HY	50%	England & Wales	Joint Venture	
Western Gateway 3 LLP	140 Aldergate Street London, UK, EC1A 4HY	50%	England & Wales	Joint Venture	