

**Edinburgh International Conference Centre Limited**  
**Annual Report & Accounts 1995**



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CONFERENCE  
CENTRE  
EDINBURGH INTERNATIONAL



## Edinburgh International Conference Centre Limited

### Annual Report & Accounts 1995

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## Chairperson's Statement

Welcome to the Annual Report and Accounts of the Edinburgh International Conference Centre Ltd. This is the inaugural year of the EICC: a unique opportunity to enhance the global profile of Edinburgh and Scotland. This report includes some outstanding successes. When the Centre opened for business on 17 September 1995, the total value of confirmed business for 1995-1996 stood at £420,000. Delegates and business visitors will now become a familiar sight in the city, arriving from all over the world, and bringing with them tremendous new opportunities for Edinburgh and its people and for Scotland's economy as a whole.

The most recent research conducted by Picda tells us that the EICC will attract an extra 100,000 new business tourists to the capital every year, each spending up to £139 per day. As experienced travellers on working visits, their spending patterns benefit a wide range of small and medium-sized businesses; their conferences, trade shows and corporate events are already extending the visitor season; and many delegates are bringing partners and staying on for private holidays.

All this is excellent news for local businesses and for jobs, as long as we are ready for the opportunities and challenges which expansion will bring. Quality goods and visitor services must be available all year round if the local economy is to reap the full benefit, so I am delighted to report that businesses throughout the city are taking up the challenge with imagination and enthusiasm. By developing a working partnership with its suppliers and with the wider business community, EICC Ltd is ensuring that the Conference Centre delivers in full its marketing promise of a first class venue in the perfect location, exceeds the expectations of delegates and organisers and helps to meet the economic aspirations of people living and working in the city.

The Edinburgh International Conference Centre is a flagship development which also marks the beginning of a new era of opportunity for Edinburgh. It stands as the cornerstone of the city's new business district, The Exchange, which will eventually provide over one million sq ft of the highest quality office accommodation right in the heart of the capital.

With total investment likely to exceed £400m, the development of The Exchange is proceeding under the guidance of EICC Ltd, on behalf of its founding partners, the City of Edinburgh District Council (EDC), Lothian and Edinburgh Enterprise Ltd (LEEL) and Lothian Regional Council (LRC). Prestige land packages within the nine acre site are currently being developed by private companies, within an inspirational master plan by the internationally renowned architect Terry Farrell.

There are obvious parallels with the creation of the Georgian New Town and it is the expectation of everyone concerned that the EICC and The Exchange will emerge as a worthy successor to Edinburgh's most famous property development.



Lesley Hinds, Chairperson EICC Ltd







## The Chief Executive

**The 1994-95 financial year has seen a dual role for EICC Chief Executive, Hans Rissmann, who has been prominent in marketing the Centre on the world stage and in overseeing the final fit-out of the building. He leads an experienced and talented managerial team in which multi-skilling and team-building are strongly emphasised and quality standards are supported by practical working principles.**

The EICC is setting a new world standard: the team's focus on quality applies to the smallest detail - particularly in areas such as technical expertise, delegate services and building management, which directly affect the customers' experience at the Centre.

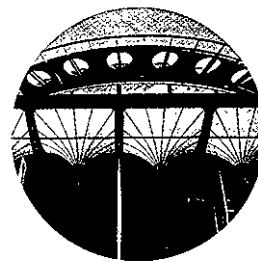
In the summer of 1994, the Chief Executive and his team launched a high profile World-wide Countdown Campaign designed to raise global awareness of the Centre. Hong Kong, San Francisco, Geneva and Munich were identified as key cities and each was presented with one of a series of paintings by the young Edinburgh artist John Brown. This programme was outstandingly effective in promoting the EICC message to the international community; and an action plan has now been agreed for the development of imaginative marketing campaigns for the future.

During the year, the team attended conferences, trade shows and exhibitions all around the world, taking every opportunity to raise the profile of the Centre, and of Edinburgh as a destination. The EICC also participated in a number of joint international marketing initiatives; in one example the Edinburgh International Conference Centre and the Edinburgh Convention Bureau won the bid to host the 15th World Congress on Endourology, which will bring 1,000 delegates to the city in September 1997.

Further proof of the EICC's marketing success is the substantial increase in confirmed bookings for the period 1996-2002, with a total economic benefit of just under £15 million as we opened our doors on 17 September 1995. The EICC has also fulfilled a key promise to Edinburgh by taking 30% of these bookings from the valuable international association sector.

In the months and weeks leading up to the Centre's opening, the Chief Executive also focused on the delivery of the building and the final fit-out. This began with thorough research, consultation with potential clients and visits to other leading international centres.

The challenge has been to create an attractive and welcoming interior environment which also meets every requirement for flexibility and technical excellence. Contracts awarded were the result of competitive tendering which allowed Hans Rissmann and his colleagues to seek out the right blend of practical detail and pleasing design. This led naturally to the use of quality Scottish materials and craft skills.



## The Client Services Team

**Recruitment** has been the single most important issue for the EICC in this financial year. Employees have been drawn from diverse backgrounds including the conference and leisure industry, the hotel sector, publishing and tourism, and offer a wide range of skills and specialist expertise, including fluency in foreign languages.

Employees of the EICC and its subcontractor partners work in a cross functional team supported by the company's well developed quality culture. In this environment, customer care is more than just a concept: it is a personal commitment from each individual. As a client focused company we are working towards total quality management through the Investors in People programme and by adopting procedures which will lead to ISO 9001 accreditation.

**Sales and Marketing** EICC sales and marketing specialists understand the requirements and expectations of delegates and organisers. As well as arranging press visits, multi-lingual presentations and familiarisation trips and researching and targeting new markets, the team closely monitors the progress of the Centre's competitors. Its members have the skill and versatility to handle any enquiry and to co-ordinate a variety of experts as required, ensuring that potential clients receive all the help they need before making the important decision to hold their event at the EICC.

**Event Planning** All bookings – large or small – are assigned an event planner. EICC event planners can offer a valuable creative contribution, suggesting ways to make each event both successful and unique. Ready to respond to the individual demands of the customer, they offer extensive local knowledge, language skills and advice on suppliers and spouse programmes.

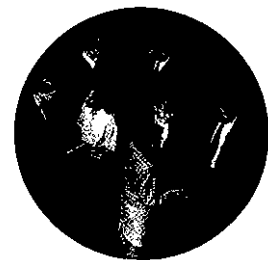
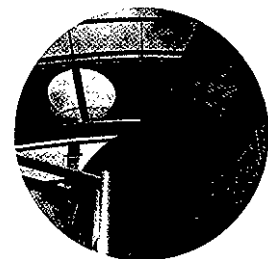
**Technical Staff** Always on hand to advise clients on every detail of their technical requirements, EICC technicians are experts on presentations, staging, lighting and sound.

**Catering** Catering at the EICC is provided by Leith's Ltd, whose philosophy of simplicity and freshness is ideally suited to the presentation of Scottish produce. Their staff are committed to working closely with clients to achieve quality catering to match a range of budgets and are always prepared to offer creative menus and ideas for themed banquets and receptions.

**House Management** An individual's experience of a conference often depends on how personal requirements are met. The EICC has a fully equipped business centre, where professional staff provide delegates with administrative support, up to date communication services and detailed information on Edinburgh, the Lothians and Scotland.

**Finance and Administration** Finance and Administration operate straightforward accounting systems and provide customer-focused services including assistance with insurance and advice on legal issues.

**Security** Highly skilled and experienced in the management of conference security, Pinkerton's offer effective security solutions with the utmost discretion.









## The Clients

**EICC badged delegates will soon become a familiar sight to the people of Edinburgh. Some of them will be leading industry figures attending global meetings. Others will be senior employees of international, national and local corporations or members of associations, attending conferences and exhibitions with up to 3,000 delegates.**

The expectations of these sophisticated business travellers will be more than fulfilled by Edinburgh's brand new conference venue, together with its theatres, museums, art galleries and beautiful gardens, its sophisticated shops and a growing number of first class restaurants. Together, Edinburgh and the EICC can provide an unbeatable combination: world class conference facilities within a beautiful and historic city. With the EICC team already working with clients on 21st century bookings, the events highlighted here are a selection of those taking place at the Centre.

### Kwik-Fit Silver Jubilee Annual Group Conference

This highly successful local corporate secured a place in the EICC's history with the Centre's opening conference booking. The EICC has fulfilled a long standing promise to Kwik-Fit's Chairman and Chief Executive, Tom Farmer, by enabling him to bring his Group Conference to Edinburgh for the first time. 1,200 delegates from all over Europe travelled to Edinburgh for the event, which took place on Sunday 17 September 1995.

*"We chose EICC because the requirements for our conference are very demanding. We are delighted that in our 25th year, Edinburgh now boasts this magnificent facility"*

*Peter Holmes, Managing Director*



### 7th World Congress of Plant Pathology

2,300 scientists from all over the world are due in Edinburgh in summer 1998 for this major international event. The booking was won in 1993 against strong competition from Beijing and New Delhi and with close co-operation from Edinburgh's Royal Botanic Gardens. Delegate numbers are such that the EICC will be working in partnership with the Usher Hall and other local venues.

*"Exceptional standards of quality are demanded by our delegates. We are confident EICC will exceed our expectations"*

*Dr P R Scott, Committee Chairman*



### LAN '95

LAN Media Ltd is a Glasgow based company specialising in Local Area Networks. 400 European delegates and over 3,000 visitors are expected to attend a high profile conference and exhibition in October 1995. This new annual event will be a crucial test for the EICC's technicians, who will help to install networking throughout the building.

*"LAN'95 is being staged at the EICC because it is a hi-tech venue which has helped to attract the world leaders in networking technology to our event"*

*Gareth Martin, Marketing Manager*



### Scottish Thistle Awards

One of the most prestigious events in the Centre's banqueting calendar is the annual Scottish Thistle Awards, organised by the Scottish Tourist Board. The EICC will be delighted to welcome 600 guests, including VIPs and celebrities, to the dinner and presentation on 3 November 1995.

*"The Edinburgh International Conference Centre was the most appropriate venue to showcase all that is best in Scottish tourism in 1995"*

*Frank Mullen, Director*



*Photograph: EICC client Gareth Martin, LAN Media Ltd with members of the EICC.*

## The People of Edinburgh

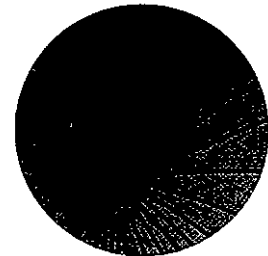
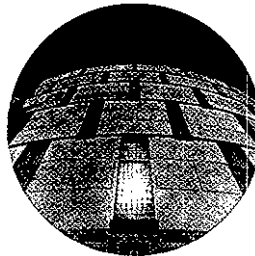
**Pieda have confirmed that hoteliers, restaurateurs, taxi drivers, shop owners, venue operators and tourist attraction providers will be amongst those to experience considerable economic benefit from the opening of the Edinburgh International Conference Centre. Their estimate is that the EICC will generate approximately £19 million of additional expenditure per annum for Edinburgh and Scotland.**

In order to guarantee this expenditure, Edinburgh must be able to provide the right quality of facilities and service throughout the year. The EICC is taking a proactive role in enhancing the capacity of service providers to deliver better quality to business visitors, by working closely not only with individuals but also with established bodies such as the Edinburgh Principal Hotels Association, the Edinburgh Convention Bureau and the Scottish Convention Bureau.

In May 1995, the Edinburgh Chamber of Commerce and the EICC hosted an evening of presentations to the Edinburgh business community, aimed at highlighting the social and economic impact of the Centre. The speakers included EICC staff, an EICC client, a professional conference organiser and Bernard Zissman, a former Lord Mayor of Birmingham who was instrumental in bringing his own city's conference centre project to fruition.

As more and more organisations benefit from conference delegates using their shops and services, the EICC's contribution to the economic well being of the capital will become increasingly apparent.

Through the founding partners of EICC Ltd: EDC, LRC and LEEL, the people of Edinburgh are the ultimate owners of the Edinburgh International Conference Centre and it has always been intended that they should be its chief beneficiaries. Co-operation between the EICC, its suppliers, and the wider community is the key to achieving the optimum return on their investment.







## The Development Team

Headed by Executive Director Jim McIntyre, the EICC Ltd development team has spent the past year actively promoting The Exchange, a nine acre site of which the Edinburgh International Conference Centre is the flagship. One of the biggest development schemes to be undertaken in Scotland since the Georgian New Town, this new financial district has been designed to meet the commercial needs of the 21st century and comprises over one million sq ft of the highest quality office accommodation, a civic square and public and private car parking.

Work has now begun on Exchange Plaza, a distinctive crescent shaped building which at 200,000 sq ft represents Scotland's largest speculative office development project. Due for completion in February 1997, this CALA-Morrison joint venture will house some of the world's leading corporate names and accommodate upwards of 1,500 employees.

Completing the gateway to The Exchange is the new headquarters of Europe's largest mutual life assurance company, Standard Life. Topped out in July 1995 this impressive 300,000 sq ft building will eventually provide comfortable office space for up to 2,000 employees.

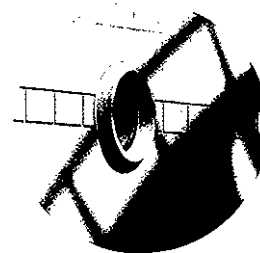
EICC Ltd's own speculative office development, Conference House, will be ready in October of this year. This prestigious building on the westerly edge of The Exchange offers 30,500 sq ft of modern office space. Working in partnership with letting agents Montagu Evans, the development team has adopted a proactive marketing plan which has resulted in serious interest from a number of Edinburgh based companies.

The building programme at The Exchange has directly influenced the decision by Scottish Widows to begin development of the seven acre site opposite the EICC. The 350,000 sq ft headquarters building will extend the southern boundary of the new business district and will be occupied by 2,000 staff from mid 1997. This development, together with the Standard Life building, will further enhance the status of Edinburgh's new financial centre.

Conference Square will lie at the heart of The Exchange. Designed by Terry Farrell, this imaginative civic plaza will be linked by footbridge to the West End of Edinburgh and represents an important element of infrastructure between all the development sites. Conference Square will provide a lively space for delegates, office workers and local residents, with the attraction of restaurants and other retail outlets. Its completion will bring together the EICC and the Sheraton Grand Hotel, in a fully pedestrianised complex forming a new focus for business and leisure in this key city centre location.

Each of the developments within The Exchange has its own provision for car parking. This year the development team has successfully secured detailed planning permission for 600 public spaces in Morrison Street and is awaiting confirmation of a further 300 in Dewar Place.

As a globally renowned commercial centre, the Scottish capital can claim a 300 year pedigree within the British, European and world-wide financial markets. It is vital that Edinburgh is fully equipped to support this leading role into the 21st century. The development team's commitment to the success of The Exchange will be a major factor in ensuring that the city's new business infrastructure is well planned and well implemented.



## The Directors' Report

The directors have pleasure in submitting their Annual Report and Accounts for the year ended 31 March 1995.

**Activities** The principal activities of the company, which is jointly owned by Lothian and Edinburgh Enterprise Limited and the City of Edinburgh District Council, are to construct and operate a conference centre and to develop the surrounding nine acre site in Morrison Street and Lothian Road Edinburgh, known as The Exchange, in accordance with a development agreement between the company and the City of Edinburgh District Council.

**Financial Matters** The results for the year are given in the profit and loss account on page 15. The directors do not recommend payment of a dividend for the year ended 31 March 1995.

**Business Review** The year to 31 March 1995 saw EICC Ltd continue to expand on the achievements and progress made in the previous year. The construction of the Conference Centre and Conference House was nearing completion by the year end and both projects remained within budget. Progress was also made with regard to the establishment of a multi-storey car parking facility and the provision of a public square situated at the heart of The Exchange development. The company continued to maximise its revenue generating activities within the development site.

**Future Developments** Since the year end, steady progress has been made with regard to the construction of the Conference Centre and Conference House. The buildings will be completed in September and October respectively.

In June the company sold a development site adjacent to the Sheraton Grand Hotel to CALA-Morrison for £5.99 million and work has already started on the construction of a 200,000 sq ft speculative office development. Detailed design work in respect of Conference Square commenced in April 1995.

**Fixed Assets** Movements in fixed assets are disclosed in note 7 to the accounts.

**Directors and Directors' Interests** The directors during the year were as follows:

D Bonnar

J McFarlane

R Marshall – retired 31 March 1995

S Henderson

L Hinds

D Crichton

K Geddes – appointed 16 December 1994

D McGougan – appointed 1 April 1995

None of the directors had any interest in the shares of the company during the year.

**Auditors** In accordance with the Companies Act a resolution concerning the re-appointment of Ernst & Young will be submitted to the Annual General Meeting.

**By Order of the Board** MD Secretaries Limited.

31 August 1995.

## Statement of Directors' Responsibilities

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those accounts, the directors are required to: select suitable accounting policies and then apply them consistently; make judgements and estimates that are reasonable and prudent; prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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



## Report of the Auditors to the members of Edinburgh International Conference Centre Limited

We have audited the accounts on pages 15–20, which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 17.

**Respective responsibilities of Directors and Auditors** As described on page 14 the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

**Basis of opinion** We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

**Opinion** In our opinion the accounts give a true and fair view of the state of affairs of the company as at 31 March 1995 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Ernst & Young*  
Ernst & Young, Chartered Accountants, Registered Auditor, Edinburgh.

31 August 1995.

## Profit & Loss Account For the year ended 31 March 1995

	Notes	1995 £	1994 £
Turnover	2	24,650	5,905,260
Cost of Sales		<u>0</u>	<u>5,831,100</u>
<b>Gross Profit</b>		24,650	74,160
Development Expenses		(292,036)	(268,467)
Other Administration Expenses		<u>(1,485,915)</u>	<u>(1,047,073)</u>
<b>Operating Loss</b>		(1,753,301)	(1,241,380)
Interest Receivable	3	<u>162,169</u>	<u>53,794</u>
<b>Loss on Ordinary Activities</b>	4	(1,591,132)	(1,187,586)
Retained Loss Brought Forward		<u>(1,495,883)</u>	<u>(308,297)</u>
<b>Retained Loss Carried Forward</b>		<u>(3,087,015)</u>	<u>(1,495,883)</u>

There are no recognised gains or losses, other than the loss on ordinary activities for the year of £1,591,132 (1994 £1,187,586)

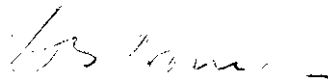
**Balance Sheet** At 31 March 1995

	Notes	1995 £	1994 £
<b>Fixed Assets</b>			
Tangible Assets	7	34,032,563	18,081,760
<b>Current Assets</b>			
Debtors	8	2,298,468	1,939,580
Investments	9	2,342,251	4,270,690
Cash		13,002	890,597
		<u>4,653,721</u>	<u>7,100,867</u>
<b>Creditors:</b> Amounts falling due within one year	10	<u>(2,109,781)</u>	<u>(1,935,655)</u>
Net Current Assets		2,543,940	5,165,212
Total Assets Less Current Liabilities		<u>36,576,503</u>	<u>23,246,972</u>
<b>Creditors:</b> Amounts falling due after more than one year	11	35,114,838	20,219,781
<b>Accruals &amp; Deferred Income:</b>			
Capital Grants	12	<u>4,548,678</u>	<u>4,523,072</u>
		39,663,516	24,742,853
<b>Capital &amp; Reserves</b>			
Called up Share Capital	13	2	2
Profit & Loss Account		<u>(3,087,015)</u>	<u>(1,495,883)</u>
Shareholders' funds	14	<u>(3,087,013)</u>	<u>(1,495,881)</u>
		<u>36,576,503</u>	<u>23,246,972</u>

Director: Councillor Lesley Hinds



Director: Dr Des Bonnar



31 August 1995

## Notes to the Accounts

### 1. Accounting Policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's accounts.

**Basis of Preparation** The accounts have been prepared under the historical cost convention.

**Assets under Construction** Assets under construction include fees and construction costs, but exclude retentions in the course of the contract. These are capitalised when paid.

**Depreciation** Fixed tangible assets are stated at historical cost less accumulated depreciation. The cost of tangible assets is written off by equal annual instalments over the expected useful lives of the assets as follows:-

Computer Equipment	5 years
Other Equipment	5 years
Furniture & Fittings	10 years

No depreciation is charged on assets under construction.

**Operating Lease Payments** Operating lease payments are charged to the profit and loss account in the year in which they are due.

**Capital Grants** Grants in respect of capital expenditure are credited to deferred income and are released to the profit and loss account over the expected useful lives of the relevant assets by equal annual instalments.

**Taxation** The charge for taxation is based on the results for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made for deferred tax only to the extent that it is probable that an actual liability will crystallise.

**Pensions** The company operates a defined contributions pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

### 2. Turnover

Turnover represents income arising from the development of the site, excluding value added tax.

### 3. Interest Receivable

	1995	1994
	£	£
Interest due on bank deposits	144,918	53,794
Interest due on other deposits	<u>17,251</u>	<u>-</u>
	<u>162,169</u>	<u>53,794</u>

### 4. Loss on Ordinary Activities

	£	£
Loss on ordinary activities is stated after charging:		
Depreciation	29,909	15,030
Auditors' remuneration	<u>6,500</u>	<u>4,500</u>

	1995	1994
<b>5. Staff Costs</b>	<b>£</b>	<b>£</b>
Salaries	463,206	177,464
Social Security Costs	43,016	17,497
Pension Costs	<u>13,453</u>	<u>2,700</u>
	<u>519,675</u>	<u>197,661</u>
The average number of staff employed during the year was	23	10

#### 6. Directors' Emoluments

No directors' emoluments were paid during the year to 31 March 1995, or in the previous year.

#### 7. Tangible Assets

	Assets in the course of construction			
	Road Construction	Long Leasehold Buildings	Office Equipment and Furniture	Total
<b>Cost</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
At 1 April 1994	2,178,061	15,780,931	137,798	18,096,790
Additions in year at cost	<u>25,607</u>	<u>15,822,479</u>	<u>132,626</u>	<u>15,980,712</u>
At 31 March 1995	<u>2,203,668</u>	<u>31,603,410</u>	<u>270,424</u>	<u>34,077,502</u>
<b>Depreciation</b>				
At 1 April 1994	-	-	15,030	15,030
Charge for the year	<u>-</u>	<u>-</u>	<u>29,909</u>	<u>29,909</u>
At 31 March 1995	<u>-</u>	<u>-</u>	<u>44,939</u>	<u>44,939</u>
Net book value 31 March 1994	<u>2,178,061</u>	<u>15,780,931</u>	<u>122,768</u>	<u>18,081,760</u>
Net book value 31 March 1995	<u>2,203,668</u>	<u>31,603,410</u>	<u>225,485</u>	<u>34,032,563</u>

There is no depreciation charge in respect of road construction and long leasehold buildings, as depreciation is not charged on construction costs and fees until construction is complete.

	1995	1994
	£	£
<b>8. Debtors</b>		
Amount due by City of Edinburgh District Council	1,713,528	1,542,494
Trade Debtors	30,030	8,665
Other Debtors	17,219	-
Value Added Tax	524,931	380,810
Prepayments	<u>12,760</u>	<u>7,611</u>
	<u>2,298,468</u>	<u>1,939,580</u>

	£	£
<b>9. Investments</b>		
Bank Deposits	<u>2,342,251</u>	<u>4,270,690</u>

	£	£
<b>10. Creditors: Amounts falling due within one year</b>		
Trade Creditors	215,051	241,625
Other Creditors	36,436	159,225
Payments due to Contractors	1,704,573	1,526,632
Accruals and Deferred income	<u>153,721</u>	<u>8,173</u>
	<u>2,109,781</u>	<u>1,935,655</u>

Included within other creditors is £1,610 relating to outstanding contributions payable to the pension scheme.

	£	£
<b>11. Creditors: Amounts falling due after more than one year</b>		
Convertible Unsecured Loan Stock:		
Issued to City of Edinburgh District Council	33,401,313	18,693,149
Due to be issued to City of Edinburgh District Council	<u>1,713,525</u>	<u>1,526,632</u>
	<u>35,114,838</u>	<u>20,219,781</u>

The loan stock issued to the City of Edinburgh District Council bears no interest and is repayable on 31 March 2117 at par. The City of Edinburgh District Council have the right to convert loan stock into fully paid preferred ordinary shares at the rate of one preferred ordinary share per £1 nominal of loan stock. The City of Edinburgh District Council is obliged to provide funding for prescribed purposes to the company in accordance with the provisions of a development agreement whereby loan stock will be issued for funds advanced.

	£	£
<b>12. Capital Grants</b>		
Capital Grants brought forward	4,523,072	1,361,200
Received during year	<u>25,606</u>	<u>3,161,872</u>
Capital Grants carried forward	<u>4,548,678</u>	<u>4,523,072</u>

	£	£
Capital Grants have been received, or are due from the following:		
Lothian & Edinburgh Enterprise Limited	4,399,678	4,374,072
City of Edinburgh District Council	<u>149,000</u>	<u>149,000</u>
	<u>4,548,678</u>	<u>4,523,072</u>

**13. Share Capital:** 31 March 1994 and 31 March 1995

	Preferred Ordinary Shares	Ordinary Shares	"A" Redeemable Preference Shares	"B" Redeemable Preference Shares
Authorised:				
Number	55,000,000	1,000	1	1
Value	£55,000,000	£1,000	£-	£-
Allotted, Called up and Fully Paid:				
Number	-	2	1	1
Value	£-	£2	£-	£-

Two ordinary shares are issued to the City of Edinburgh District Council. In addition one redeemable preference share each has been issued to both the City of Edinburgh District Council and Lothian and Edinburgh Enterprise Limited the ultimate holding organisations of the company.

The "A" and "B" redeemable preference shares have the same rights between themselves. They may be redeemed at the request of the shareholder prior to 31 March 2002 subject to the procedures in the Articles of Association, or otherwise will be redeemed on 31 March 2002.

The redeemable preference shares carry no voting rights, have no right to participate in profits and may participate in a distribution of capital only to the extent of the amount paid up on each share.

The ordinary and preferred shares carry one vote per share and participate in profits available for dividend pro rata. They rank behind the redeemable preference shares on a capital distribution in the following order:

- £1 for each preferred share
- £1 for each ordinary share
- Thereafter pro rata

**14. Movement in Shareholders' Funds**

	£	£
Shareholders' funds brought forward	(1,495,881)	(308,296)
Loss on ordinary activities for the year	<u>(1,591,132)</u>	<u>(1,187,585)</u>
Shareholders' funds carried forward	<u>(3,087,013)</u>	<u>(1,495,881)</u>

All of the above funds relate to equity shares.

**15. Capital Commitments**

The following capital commitments existed at the balance sheet date:

The company has entered into a construction contract for the Conference Centre at a value of £35,155,000, of which £28,906,607 has already been expended, excluding retentions of £770,338 which will be payable in 1996.

The company has also entered into a construction contract for Conference House at a value of £3,447,922, of which £2,645,175 has already been expended, excluding retentions of £69,626 which will be payable in 1996.

**16. Financial Commitments**

The company has entered into a nine year lease for office premises. The lease still has seven years to run with a break option during 1996. The annual rental is £49,000.

**17. Pension Commitments**

The company operates a defined contributions scheme for its employees. The assets of this scheme are held separately from those of the company in an independently administered fund.