

Marcus Evans (North America) Limited

Registered number: 05569262

Directors' report and financial statements

For the year ended 30 September 2015

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MARCUS EVANS (NORTH AMERICA) LIMITED

COMPANY INFORMATION

Directors	M Van Os D Gilmore S Drago T Burraway
Secretary	M P Studd
Registered number	05569262
Registered office	101 Finsbury Pavement London EC2A 1RS
Independent auditor	Mazars LLP Tower Bridge House St Katharine's Way London E1W 1DD

MARCUS EVANS (NORTH AMERICA) LIMITED

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MARCUS EVANS (NORTH AMERICA) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2015

The directors present their report and the audited financial statements for the year ended 30 September 2015.

Principal activity and review of business

The principal activity of the company was that of the management and organisation of conferences, arranging conferences on behalf of other group companies and providing corporate hospitality at sporting events, through a branch in Canada.

Key performance indicators

The directors consider the key performance indicators of the company to be the number of attendees or delegates per event and the number of events held. This is commented on in the business review.

Business review

Turnover has decreased by 12% in the company's local currency, Canadian Dollars, and decreased by 21% in Sterling, as presented in the profit and loss account, due to lower attendance levels. The gross profit margin has decreased from 8% to 4%. The directors consider that the number of attendees and delegates per event is lower than expected. However, the number of events held is in line with expectations of management.

Dividends

The directors do not recommend the payment of a dividend (2014: £nil).

Directors

The directors who served during the year were:

M P Studd (resigned 13 April 2016)

K Mallon (appointed 15 September 2015, resigned 13 April 2016)

On 12 April 2016, D Gilmore was appointed as a director of the company. On 13 April 2016, M Van Os, S Drago and T Burraway were appointed as directors of the company.

Financial risk management

The company is exposed to a variety of financial risks that include credit risk, interest rate risk, foreign exchange risk and liquidity risk.

Credit risk

The company has exposure to credit risk in relation to its trade debtor and intercompany debtor balances. The risks are mitigated by credit checks on trade debtors, and guarantees from the ultimate parent company.

Interest rate risk

The company has interest rate bearing assets and no interest bearing liabilities. Interest bearing assets include only cash balances that earn interest based on prevailing bank rates.

Foreign exchange risk

The company is exposed to fluctuations in the exchange rate of the US Dollar and the Canadian Dollar against Sterling. It is the company's policy not to take out instruments to hedge against exchange rate movements.

Liquidity risk

Liquidity is managed on a group wide basis for all companies in the Marcus Evans Worldwide Holdings (IOM) Limited Group. The company is dependent upon continued funding by that group.

MARCUS EVANS (NORTH AMERICA) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2015

Directors' responsibilities statement

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

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

Provision of information to auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

The auditor, Mazars LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

.....
M Van Os
Director

Date:

30 - 6 - 2016

MARCUS EVANS (NORTH AMERICA) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MARCUS EVANS (NORTH AMERICA) LIMITED

We have audited the financial statements of Marcus Evans (North America) Limited for the year ended 30 September 2015 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors. This report is made solely to the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body for our audit work, for this report, or for the opinions we have formed.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on the other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

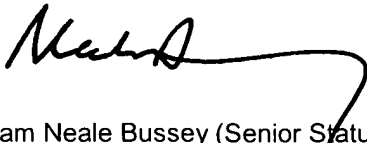
MARCUS EVANS (NORTH AMERICA) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MARCUS EVANS (NORTH AMERICA) LIMITED

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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



William Neale Bussey (Senior Statutory Auditor)
for and on behalf of Mazars LLP
Tower Bridge House
St Katharine's Way
London
E1W 1DD

Date: 30 JUNE 2016

MARCUS EVANS (NORTH AMERICA) LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 SEPTEMBER 2015

	Note	2015 £	2014 £
Turnover	1,2	2,359,001	3,001,575
Cost of sales		<u>(2,263,327)</u>	<u>(2,754,640)</u>
Gross profit		95,674	246,935
Administrative expenses		<u>(47,675)</u>	<u>(246,760)</u>
Operating profit	3	47,999	175
Interest payable and similar charges	5	<u>(2,758)</u>	<u>(810)</u>
Profit/(loss) on ordinary activities before taxation		45,241	(635)
Tax on profit/(loss) on ordinary activities	6	<u>4,082</u>	<u>-</u>
Profit/(loss) for the financial year	11	<u><u>49,323</u></u>	<u><u>(635)</u></u>

All amounts relate to continuing operations.

The notes on pages 8 to 14 form part of these financial statements.

MARCUS EVANS (NORTH AMERICA) LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 30 SEPTEMBER 2015

	Note	2015 £	2014 £
Profit/(loss) for the financial year	11	49,323	(635)
Foreign currency translation differences on retranslation of net liabilities of overseas branch	11	<u>21,184</u>	<u>17,844</u>
Total recognised gains and losses relating to the year		<u>70,507</u>	<u>17,209</u>

The notes on pages 8 to 14 form part of these financial statements.

MARCUS EVANS (NORTH AMERICA) LIMITED

Registered number: 05569262

**BALANCE SHEET
AS AT 30 SEPTEMBER 2015**

	Note	£	2015 £	£	2014 £
Fixed assets					
Tangible assets	7		71,906		114,884
Current assets					
Debtors	8	33,686		534,264	
Cash at bank		<u>147,050</u>		<u>79,304</u>	
		180,736		613,568	
Current liabilities					
Creditors: amounts falling due within one year	9	(360,833)		(782,537)	
Deferred income		<u>(23,555)</u>		<u>(148,168)</u>	
		(384,388)		(930,705)	
Net current liabilities			<u>(203,652)</u>		<u>(317,137)</u>
Total assets less current liabilities			<u>(131,746)</u>		<u>(202,253)</u>
Capital and reserves					
Called up share capital	10		1		1
Foreign exchange reserve	11		1,962		(19,222)
Profit and loss account	11		<u>(133,709)</u>		<u>(183,032)</u>
Shareholders' deficit	12		<u>(131,746)</u>		<u>(202,253)</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



M Van Os
 Director

Date:

30-6-2016

The notes on pages 8 to 14 form part of these financial statements.

MARCUS EVANS (NORTH AMERICA) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2015

1. Accounting Policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

The accounting records of the company are maintained in Canadian Dollars and translated into Sterling for statutory financial statement purposes.

1.2 Going concern

The financial statements have been prepared on a going concern basis. The company has net current liabilities and net liabilities, and is dependent upon its ultimate parent company and/or controlling shareholder for funding. While the company has been profitable in the year, the company will remain dependent upon this funding until such a time as it has generated enough cash through profitable trading to enable it to meet its liabilities as and when they fall due. The ultimate parent company and controlling shareholder have each confirmed to the directors their current intention to continue to provide funding to enable the company to meet its liabilities as they fall due for the foreseeable future, and the directors have therefore prepared the financial statements on a going concern basis.

Should such funding from the ultimate parent company and/or controlling shareholder not be forthcoming, the going concern basis of preparation may no longer be appropriate, and significant adjustments may be required to these financial statements.

1.3 Cash flow

The company has taken advantage of the exemption in Financial Reporting Standard No.1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

1.4 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

Revenue in respect of the company's principal activity, being the management and organisation of conferences, is recognised at conference completion until which point amounts invoiced are recorded as deferred income.

1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Leasehold	-	over lease term
Fixtures, fittings and equipment	-	20-25% straight line method

MARCUS EVANS (NORTH AMERICA) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2015

1. Accounting Policies (continued)

1.6 Impairment

At the balance sheet date, the company reviews the carrying value of its assets to determine whether there is any indication that those assets have suffered an impairment loss.

If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

1.7 Operating leases

Rentals under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

1.8 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

1.9 Foreign currencies

Monetary assets and liabilities denominated in currencies other than Canadian Dollars are translated into Canadian Dollars at rates of exchange ruling at the balance sheet date. Transactions in currencies other than Canadian Dollars are translated into Canadian Dollars at the rate ruling on the date of the transactions.

At the year end, the financial statements are translated from the local currency of Canadian Dollars to the presentational currency of Sterling at the year end rate. Exchange gains and losses arising on the translation of the opening balance sheet are recognised as a movement in equity in the foreign exchange reserve. All other exchange gains or losses are recognised in the profit and loss account.

1.10 Event related expenses

Directly attributable event expenses are recognised in the year in which the event has been completed. Expenses that relate to an event taking place in the subsequent financial year but paid prior to the year end are recorded as prepayments in the balance sheet.

MARCUS EVANS (NORTH AMERICA) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2015

2. Turnover

The company has taken advantage of the exemption not to disclose the analysis of turnover by geographical market on the basis that it is prejudicial to the company's interests as provided by the Companies Act 2006 and SI2008 No.410.

3. Operating profit / (loss)

The operating profit / (loss) is stated after charging/(crediting):

	2015 £	2014 £
Depreciation of tangible fixed assets:		
- owned by the company	28,991	38,791
Operating leases:		
- land and buildings	159,463	195,145
(Gain)/loss on foreign exchange	(85,691)	83,213
Loss on disposal of tangible fixed assets	<u>1,951</u>	<u>-</u>

During the year, no director received any emoluments in respect of services as director to the company (2014 - £NIL).

The remuneration of the auditor is borne by the group company Marcus Evans Limited, a company registered in England and Wales.

4. Staff costs

Staff costs were as follows:

	2015 £	2014 £
Wages and Salaries	1,918,807	2,215,773
Social Security Costs	146,629	159,876
Total	<u>2,065,436</u>	<u>2,375,649</u>

Commissions paid during the year, and which have been deferred as an event related expense, amount to £4,075 (2014: £25,866). These amounts are included in the breakdown of staff costs above, but are not included in the profit and loss account in the year, as they have been included within prepayments and accrued income and are released in the year in which the revenue in relation to the event is recognised. During the year, commission of £25,866 (2014: £35,789) has been recognised in the profit and loss account, relating to commissions paid in previous years for events for which the revenue has been recognised during the year.

MARCUS EVANS (NORTH AMERICA) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2015

4. Staff costs (continued)

The average monthly number of employees, including the director, during the year was as follows:

	2015 No.	2014 No.
Management and administration	4	4
Sales	60	77
Total	<u>64</u>	<u>81</u>

5. Interest payable

	2015 £	2014 £
Interest payable on overdue taxes	<u>2,758</u>	<u>810</u>

6. Taxation

	2015 £	2014 £
Foreign tax	<u>(4,082)</u>	<u>-</u>

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2014 - higher than) the standard rate of corporation tax in the UK of 20.5% (2014 - 22%). The differences are explained below:

Profit/(loss) on ordinary activities before tax	<u>45,241</u>	<u>(635)</u>
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Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.5% (2014 - 22%)	9,274	(140)
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Effects of:

Expenses not deductible for tax purposes	196	2,688
Capital allowances for year in excess of depreciation	3,283	(2,781)
Unrelieved tax losses carried forward	-	233
Foreign tax	(4,082)	-
Utilisation of tax losses	<u>(12,753)</u>	<u>-</u>

Current tax credit for the year (see note above)	<u><u>(4,082)</u></u>	<u><u>-</u></u>
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MARCUS EVANS (NORTH AMERICA) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2015

6. Taxation (continued)

Factors that may affect future tax charges

The UK corporation tax rate was reduced from 21% to 20% on 1 April 2015 and the average corporation tax rate for the year ended 30 September 2015 was 20.5%.

There will be further reductions in the main corporation tax rate to 19% from 1 April 2017, and 18% from 1 April 2020. These reduced rates were substantively enacted on 26 October 2015 and have therefore not been considered when calculating deferred tax at the Balance Sheet date of 30 September 2015.

Unrecognised deferred tax

A potential deferred tax asset of £23,000 (2014: £38,000) has not been recognised in respect of the losses on the grounds that there is insufficient certainty on the timing of future profits against which the asset could be utilised.

7. Tangible fixed assets

	Leasehold £	Fixtures, fittings and equipment £	Total £
Cost			
At 1 October 2014	169,862	224,253	394,115
Disposals	(1,970)	(587)	(2,557)
Foreign exchange movement	(17,793)	(23,490)	(41,283)
At 30 September 2015	150,099	200,176	350,275
Depreciation			
At 1 October 2014	71,357	207,874	279,231
Charge for the year	23,690	5,301	28,991
Disposals	(460)	(145)	(605)
Foreign exchange movement	(7,474)	(21,774)	(29,248)
At 30 September 2015	87,113	191,256	278,369
Net book value			
At 30 September 2015	62,986	8,920	71,906
At 30 September 2014	98,505	16,379	114,884

MARCUS EVANS (NORTH AMERICA) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2015

8. Debtors

	2015 £	2014 £
Trade debtors	-	24,384
Amounts owed by group undertakings	-	462,423
Other debtors	28,497	21,592
Prepayments and accrued income	5,189	25,865
	<u>33,686</u>	<u>534,264</u>

9. Creditors: Amounts falling due within one year

	2015 £	2014 £
Trade creditors	7,974	24,018
Amounts owed to group undertakings	132,666	513,878
Other taxation and social security	-	15,546
Other creditors	188,454	197,203
Accruals	31,739	31,892
	<u>360,833</u>	<u>782,537</u>

10. Share capital

	2015 £	2014 £
Allotted, called up and fully paid		
1- Ordinary share of £1	<u>1</u>	<u>1</u>

11. Reserves

	Foreign exchange reserve £	Profit and loss account £
At 1 October 2014	(19,222)	(183,032)
Profit for the year		49,323
Foreign currency translation differences on retranslation of net liabilities of overseas branch	21,184	
	<u>1,962</u>	<u>(133,709)</u>
At 30 September 2015		

MARCUS EVANS (NORTH AMERICA) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2015

12. Reconciliation of movement in shareholders' deficit

	2015 £	2014 £
Opening shareholders' deficit	(202,253)	(219,462)
Profit/(loss) for the financial year	49,323	(635)
Foreign currency translation differences on retranslation of net liabilities of overseas branch	21,184	17,844
Closing shareholders' deficit	<u>(131,746)</u>	<u>(202,253)</u>

13. Operating lease commitments

At 30 September 2015 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	2015 £	2014 £
Expiry date:		
Between 2 and 5 years	<u>114,289</u>	<u>127,661</u>

14. Controlling party

The company's immediate parent undertaking is Marcus Evans Holdings (IOM) Limited, a company registered in the Isle of Man.

The company's ultimate parent company is Marcus Evans Worldwide Holdings (IOM) Limited, a company registered in the Isle of Man.

The controlling party is Mr M P B Evans by virtue of his interest in the entire issued share capital of Marcus Evans Worldwide Holdings (IOM) Limited.

15. Related party transactions

The company is part of an international network of companies, under common ownership and control of Mr M P B Evans, organising hospitality and conference events.

The company is a wholly owned subsidiary of Marcus Evans Worldwide Holdings (IOM) Limited, and utilises the exemptions contained in Financial Reporting Standard 8, Related Party Disclosures, not to disclose any transactions or balances with entities which are wholly owned members of that group.