

**Company Registration No. 02801121**

**International Trade and Exhibitions (JV) Limited**

**Report and Financial Statements**

**Year ended 30 September 2015**

THURSDAY



\*L5A8FAAR\*

L11

30/06/2016

#117

COMPANIES HOUSE

# **International Trade and Exhibitions (JV) Limited**

## **Report and financial statements 2015**

<b>Contents</b>	<b>Page</b>
<b>Officers and professional advisers</b>	<b>1</b>
<b>Strategic report</b>	<b>2</b>
<b>Directors' report</b>	<b>4</b>
<b>Statement of directors' responsibilities</b>	<b>6</b>
<b>Independent auditors' report</b>	<b>7</b>
<b>Profit and loss account</b>	<b>8</b>
<b>Balance sheet</b>	<b>9</b>
<b>Notes to the accounts</b>	<b>10</b>

# **International Trade and Exhibitions (JV) Limited**

## **Officers and professional advisers**

### **Directors**

Des McEwan  
Russell Taylor

### **Secretary**

Anil Harilal Gadhia (resigned 9 October 2015)  
Anneka Milham (appointed 9 October 2015)

### **Registered Office**

105 Salusbury Road  
London  
NW6 6RG

### **Principal Bankers**

Barclays Bank plc  
1 Churchill Place  
London  
E14 5HP

HSBC Bank plc  
60 Queen Victoria Street  
London  
EC4N 4TR

### **Auditor**

Deloitte LLP  
Chartered Accountants and Statutory Auditor  
London  
United Kingdom

# International Trade and Exhibitions (JV) Limited

## Strategic report

### Key performance indicators and business performance review

The Directors believe that the key performance indicators for the Company are turnover, profit after tax and net assets.

The Directors believe that no further measures are necessary or appropriate for an understanding of the development, performance or position of the business.

As shown in the Company's profit and loss account on page 8, the Company made sales of £6.1 million (2014: £8.9 million) and a loss after tax of £2.7 million (2014: profit of £3.6 million) during the year.

The balance sheet on page 9, of the financial statements shows that the Company has net liabilities of £7.5 million (2014: £4.8 million). Details of amounts owed to and from its parent company and other subsidiary undertakings are shown in notes 13 and 14.

### Principal risks and uncertainties

#### *Political uncertainty and regulatory risk*

The Company's business is principally carried out in Russia and the Commonwealth of Independent States (CIS). Changes in law or the regulatory environment could have an effect on some or all of the exhibitions of the Company. The Company has reduced the risk by establishing its business as independent Russian and CIS companies, fully contributing to the local economy and by diversifying its business across sectors and geography. Such risk reduction measures also provide protection for the longer-term prospects of the Company.

Economic instability in the countries where the Company operates can also reduce demand for exhibition space and have a negative impact on the Company's profitability. The Company minimises this risk by limiting exposure to any single market and by operating through a wide range of sectors. Through its relationships with venues and staff, the Company has a flexible cost structure, allowing it to manage event margins in short and medium term.

#### *Commercial relationships*

The Company has key commercial relationships with venues which secure the Company's rights to run its exhibitions in the future. These key relationships are regularly reviewed and the Company seeks to maintain its exhibition rights for at least three years forward for all significant exhibitions.

#### *Venue availability*

Damage to a venue making it unavailable for an exhibition could impact upon the Company's short-term trading position. Accordingly the Company carries business interruption insurance policies which protect its profits against such an event in the short term.

#### *Competitor risk*

Competition has existed in the Company's markets for some years. The Company faces competitive pressures on a market-by-market basis. Recent increase in venue space available in Moscow has increased the potential for new market entrants in the Moscow exhibition business. In Central Asia, the Company has a strong position in all its markets as the largest international organiser. In Kiev, Ukraine, there are a number of exhibition venues and directly competitive events exist in most of the Company's favoured sectors.

In all of its overseas markets the Company has a strong position as an international organiser achieved through effective use of its international sales network and its established brands for major events. A single exhibition or sector in a market could have its prospects curtailed by a strong competitor launch; however the breadth of the Company's portfolio of events with its geographic and sector diversity reduce the risk of a competitive threat to the Company's overall business

# International Trade and Exhibitions (JV) Limited

## Strategic report (continued)

### Principal risks and uncertainties (continued)

#### *Foreign currency and cash flow risk*

The Company undertakes certain transactions denominated in foreign currencies, hence, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilising forward-plus or forward foreign exchange contracts.

The Company is exposed to interest rate risk through its borrowings at floating interest rates. This risk is managed by the Company by maintaining an appropriate level of floating interest rate borrowings. Other interest-bearing assets and liabilities are held at fixed rates to ensure certainty of cash flows.

#### *Credit risk*

The Company's principal financial assets and liabilities are bank balances and cash, trade and other receivables and amounts owed to and from parent and fellow subsidiaries.

The Company's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables.

The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The Company has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

#### *Liquidity risk*

The Company is part of ITE Group plc. ITE Group plc and its subsidiaries are committed to provide the necessary level of financial support to the Company to enable it to pay its debts as they become due. ITE Group plc and its subsidiaries have the necessary financial resources to fulfil that commitment.

Approved by the Board of Directors  
and signed on behalf of the Board



Des McEwan  
Director

28 JUNE 2016

# **International Trade and Exhibitions (JV) Limited**

## **Directors' report**

The directors present their annual report and the audited financial statements (including the auditor's report) for the year ended 30 September 2015.

### **Principal activities and future prospects**

The Company is a wholly-owned subsidiary of ITE Group plc and operates as part of the group's UK division.

The Company's principal activities are the organising of international trade exhibitions and conferences. There have not been any significant changes in the Company's principal activities in the year under review. The directors are not aware, at the date of this report, of any likely major changes in the Company's activities in the next year.

The Company continues to develop the business and to seek opportunities to expand into new markets.

### **Results and dividends**

The results for the year are set out on page 8.

Dividends of £nil (2014: £15 million) were paid in the year.

### **Directors**

The directors who held office throughout the year and to the date of this report were as follows:

Neil Jones (resigned 7 January 2016)

Des McEwan (appointed 7 January 2016)

Russell Taylor

Directors and officers professional indemnity insurance is held for the benefit of the directors. This has been in place throughout the year ended 30 September 2015 and through to the date of this report.

### **Supplier payment policy**

The Company's policy is to agree payment terms with suppliers when entering into each transaction to ensure that suppliers are made aware of the terms of payment and to abide by the terms of payment. At 30 September 2015 trade creditor days amounted to 10 days (2014: 10 days).

### **Disabled employees**

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the Company continues and that appropriate training is arranged. It is the policy of the Company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

### **Going concern**

Having considered the risks and uncertainties in the current uncertain economic environment, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts. Further details are set out in note 1.

### **Subsequent events**

There are no significant post-balance sheet events other than those disclosed in note 24.

# **International Trade and Exhibitions (JV) Limited**

## **Directors' report (continued)**

### **Environment**

As a media services company, the Company acknowledges that its business has an impact on the environment, albeit relatively minor. The Company does not manufacture or sell any tangible products. The Company actively controls its energy costs and the office and other waste generated by its business.

As a media services business the Company's activities do not directly affect the environment through emissions to air, water or land. The Company's activities, mostly through its customers and suppliers have an impact on waste and natural resources usage through materials used in assembling exhibition stands and participating in the exhibition. Presently, practice in controlling waste at different exhibitions centres varies widely through the different regions in which the Company operates.

### **Employees**

Details of the number of employees and related costs can be found in note 7 to the financial statements.

### **Auditor**

Each of the persons who is a director at the date of approval of this report confirms that:

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

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP have expressed their willingness to continue in office as auditor and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors  
and signed on behalf of the Board



Des McEwan  
Director

28 JUNE 2016

## **International Trade and Exhibitions (JV) Limited**

### **Statement of directors' responsibilities**

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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. 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.



## **Independent auditor's report to the members of International Trade and Exhibitions (JV) Limited**

We have audited the financial statements of International Trade and Exhibitions (JV) Limited for the year ended 30 September 2015 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 24. 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).

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 auditors' 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.

### **Respective responsibilities of directors and auditor**

As explained more fully in the Directors' Responsibilities Statement, 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 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 (APB's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on 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 loss 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 other matter prescribed by the Companies Act 2006**

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

### **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.

*M. R. Lee-Amies*

Mark Lee-Amies (Senior Statutory Auditor)  
for and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditor  
London, UK

28 June 2016

## International Trade and Exhibitions (JV) Limited

### Profit and loss account Year ended 30 September 2015

	Notes	2015 £'000	2014 £'000
Turnover	2	6,132	8,869
Cost of sales		<u>(3,015)</u>	<u>(4,510)</u>
Gross profit		3,117	4,359
Administrative expenses		(7,139)	(5,043)
Other operating income	3	229	419
Profit from associates		<u>-</u>	<u>278</u>
Operating (loss)/profit		(3,793)	13
Income from shares in Group undertakings		3,730	4,547
Interest receivable and similar income	5	79	3
Interest payable and similar charges	6	<u>(3,080)</u>	<u>(927)</u>
(Loss)/profit on ordinary activities before taxation	4	(3,064)	3,636
Tax credit/(charge) on (loss)/profit on ordinary activities	9	<u>326</u>	<u>(61)</u>
(Loss)/profit on ordinary activities after taxation		<u><u>(2,738)</u></u>	<u><u>3,575</u></u>

The results above are derived solely from continuing operations.

There were no recognised gains or losses in the current or preceding year other than those recorded in the profit and loss account. Therefore no statement of total recognised gains and losses has been prepared.

# International Trade and Exhibitions (JV) Limited

## Balance sheet 30 September 2015

	Notes	2015 £'000	2014 £'000
<b>Fixed assets</b>			
Intangible fixed assets	10	40	638
Tangible assets	11	3,073	2,641
Investments	12	17,294	16,535
Debtors due after one year	13	-	692
		<u>20,407</u>	<u>20,506</u>
<b>Current assets</b>			
Debtors due within one year	13	70,226	34,379
Cash at bank and in hand		248	6,584
		<u>70,474</u>	<u>40,963</u>
<b>Creditors: amounts falling due within one year</b>	14	(27,830)	(21,727)
<b>Provisions for liabilities and charges due within one year</b>	15	(84)	(129)
<b>Net current assets</b>		<u>42,560</u>	<u>19,107</u>
<b>Total assets less current liabilities</b>		<u>62,967</u>	<u>39,613</u>
<b>Creditors: amounts falling due after one year</b>	14	(70,419)	(44,415)
<b>Provisions for liabilities and charges due after one year</b>	15	(23)	-
<b>Net liabilities</b>		<u>(7,475)</u>	<u>(4,802)</u>
<b>Capital and reserves</b>			
Called up share capital	16	1	1
Merger reserve	23	(580)	(580)
Profit and loss account	23	(5,399)	(2,726)
Put option reserve	23	(1,497)	(1,497)
<b>Shareholder's deficit</b>	23	<u>(7,475)</u>	<u>(4,802)</u>

The financial statements of International Trade and Exhibitions (JV) Limited, registered number 02801121 were approved by the Board of Directors and authorised for issue on 28 JUNE 2016.

Signed on behalf of the Board of Directors



Des McEwan  
Director

# International Trade and Exhibitions (JV) Limited

## Notes to the accounts Year ended 30 September 2015

### 1. Accounting policies

#### Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006 and applicable United Kingdom accounting standards.

The Company has taken advantage of the exemption in Financial Reporting Standard No.1 (Revised 1996) from the requirement to produce a cash flow statement on the grounds that it is a wholly-owned subsidiary undertaking and whose parent prepares a group cash flow statement that includes the Company.

The Company has taken advantage of the exemption from the requirement to prepare consolidated accounts set out in Section 400 of the Companies Act 2006. At 30 September 2015 and 30 September 2014 the Company was a wholly-owned subsidiary undertaking of ITE Group plc, a company registered in England and Wales and group accounts have been prepared for that company.

#### Going Concern

In accordance with their responsibilities, the directors have considered the appropriateness of the going concern basis, which has been used in the preparation of these financial statements. The Company's business activities together with the factors likely to affect its future development, performance and position are set out in the Directors' and Strategic report.

Performance for the year shows the Company made sales of £6.1 million (2014: £8.9 million). The Company made a loss after tax of £2.7 million (2014: profit of £3.6 million). The balance sheet on page 9, of the financial statements shows that the Company has net liabilities of £7.5 million (2014: £4.8 million). Net current assets (including cash) are £42.6 million (2014: £19.1 million).

The directors have assessed the financial and operating positions of the Company, the net liabilities on the balance sheet, uncertainties that exist in the current economic climate, along with the support offered to the Company from the group and have no reason to doubt the ability of International Trade and Exhibitions (JV) Limited to continue as a going concern.

On the basis of their assessment of the Company's financial position and of the enquiries made of the directors of ITE Group plc, the Company's directors have a reasonable expectation that the Company will be able to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

#### Turnover

Turnover represents amounts receivable for goods and services provided in the normal course of business, net of trade discounts, VAT and other sales-related taxes.

#### Associates

An associate is an entity over which the Company is in a position to exercise significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control over those policies.

Investments in associates are carried on the balance sheet at cost, including subsequent capital investments, less any impairment in the value of the individual investments. Losses of an associate in excess of the Company's interest in that entity (which includes any long term interests that, in substance, form part of the Company's net investment in the associate) are recognised only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the associate.

# **International Trade and Exhibitions (JV) Limited**

## **Notes to the accounts Year ended 30 September 2015**

### **1. Accounting policies (continued)**

#### **Revenue and profit recognition**

Revenue and profit is recognised on completion of the event. Billings and cash received in advance, and directly attributable costs relating to future events are deferred. The amounts so deferred are included in the balance sheet as deferred event income and prepaid event costs respectively. Losses anticipated at the balance sheet date are provided in full.

#### **Taxation**

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements.

Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

#### **Goodwill**

Goodwill arising on the acquisition of subsidiary undertakings and businesses, representing any excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired, is capitalised and written off on a straight-line basis over its useful economic life, which is up to a maximum of 20 years. Provision is made for any impairment.

Goodwill arising on acquisition in the year ended 30 September 1998 and earlier was written off to reserves in accordance with the accounting standard then in force. As permitted by the current accounting standard the goodwill previously written off to reserves has not been reinstated in the balance sheet. On disposal or closure of a previously acquired business, the attributable amount of goodwill written off to reserves is included in determining the profit or loss on disposal.

#### **Intangible assets**

Trademarks are included at cost and depreciated on a straight-line basis over a period of 20 years. Provision is made for any impairment.

#### **Share-based payments**

The Company issues equity-settled share-based payments to certain employees. These are measured at fair value (excluding the effect of non-market based vesting conditions) at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of shares that will eventually vest and adjusted for the effect of non-market based vesting conditions.

Fair value is measured using a Black-Scholes model. The expected life used in the model has been adjusted, for the effects of non-transferability, exercise restrictions and behavioural considerations based on management's best estimate.

# **International Trade and Exhibitions (JV) Limited**

## **Notes to the accounts**

**Year ended 30 September 2015**

### **1. Accounting policies (continued)**

#### **Foreign currency**

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction or their contractual rate where applicable. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated at the rates of exchange prevailing at that date. Gains and losses arising on the settlement of monetary items are included in profit or loss for the period.

#### **Bank borrowings**

Bank overdrafts are recorded at the proceeds received, net of direct issue costs. Finance charges are accounted for on an accrual basis to profit or loss.

#### **Tangible fixed assets**

Tangible fixed assets are stated at cost or valuation, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets, other than investment properties, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows:

Leasehold buildings - 50 years  
Plant and equipment - 4 - 10 years

#### **Investments**

Fixed asset investments are shown at cost less provision for any impairment.

#### **Leases**

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis.

#### **Finance costs**

Finance costs of financial liabilities are recognised in the profit and loss account over the term of such investment at a constant rate on the carrying amount.

#### **Derivative financial instruments**

The Company uses derivative financial instruments to reduce exposure to foreign exchange risk and interest rate movements. The Company does not hold or issue derivative financial instruments for speculative purposes. In accordance with FRS 26, the Company is exempt from applying the principles of this standard. However, additional disclosures are made in accordance with FRS 29.

#### **Pensions and other retirement benefits**

The Company contributes to a defined contribution pension plan. The amount charged to the profit and loss account is the contributions payable in the period. Differences between contributions payable in the period and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

# International Trade and Exhibitions (JV) Limited

## Notes to the accounts Year ended 30 September 2015

### 2. Segmental analysis

The turnover is attributable to the Company's one principal activities, the organisation of trade exhibitions and conferences and can be analysed by geographic segment as follows:

	2015 £'000	2014 £'000
Russia & the CIS	5,957	8,140
Rest of world	175	729
	<u>6,132</u>	<u>8,869</u>

### 3. Other operating income

Other operating income relates to rental income of £229,000 (2014: £327,000), management services fees of £300,000 (2014: £nil) and profit on disposal of investments of £nil (2014: £92,000).

### 4. Profit on ordinary activities before taxation

	2015 £'000	2014 £'000
This is stated after charging/(crediting):		
Depreciation	853	725
Amortisation of goodwill	570	570
Foreign exchange gain	(2,865)	(1,096)
Operating lease rentals	550	465
	<u>550</u>	<u>465</u>

Audit fees of £9,000 (2014: £9,000) were borne by ITE Group plc in respect of the audit of group companies.

### 5. Interest receivable and similar income

	2015 £'000	2014 £'000
Interest from bank and short-term deposits	47	2
Interest due from parent and fellow subsidiary undertakings	32	1
	<u>79</u>	<u>3</u>

### 6. Interest payable and similar charges

	2015 £'000	2014 £'000
Overdraft interest and bank charges	1,913	658
Loss on revaluation of put options	819	-
Interest due to parent and fellow subsidiary undertakings	348	269
	<u>3,080</u>	<u>927</u>

# International Trade and Exhibitions (JV) Limited

## Notes to the accounts Year ended 30 September 2015

### 7. Employees

#### (a) Number of employees

The average number of persons including two directors (2014: three) employed by the Company during the year was as follows:

	2015 No.	2014 No.
Administration	59	54
Technical and sales	59	76
	<u>118</u>	<u>130</u>

#### (b) Employee costs

Their aggregate remuneration comprised:

	2015 £'000	2014 £'000
Wages and salaries	5,294	4,607
Share-based payment costs	65	129
Social security costs	619	746
Other pension costs	139	158
	<u>6,117</u>	<u>5,640</u>
Gross total	6,117	5,640
Less: Charged to fellow subsidiaries	(2,229)	(1,306)
	<u>3,888</u>	<u>4,334</u>
Net charge to the Company	<u>3,888</u>	<u>4,334</u>

### 8. Directors' emoluments

The emoluments of the directors of the Company were:

	2015 £'000	2014 £'000
Emoluments	819	1,160
Pension contributions	71	57
	<u>890</u>	<u>1,217</u>

The directors exercised share options under the Group's share-based payment schemes in the year.

The emoluments of the highest paid director of the Company were:

	2015 £'000	2014 £'000
Emoluments	522	739
Pension contributions	45	44
	<u>567</u>	<u>783</u>



# International Trade and Exhibitions (JV) Limited

## Notes to the accounts Year ended 30 September 2015

### 9. Tax charge on profit on ordinary activities

	2015 £'000	2014 £'000
<b>Current taxation</b>		
Group relief credit/(charge)	99	(20)
Adjustments to prior years' tax provisions	10	20
	<u>109</u>	<u>-</u>
Foreign tax charge	(94)	(130)
Total current tax credit/(charge)	15	(130)
<b>Deferred taxation</b>	311	69
Tax credit/(charge) on (loss)/profit on ordinary activities	<u>326</u>	<u>(61)</u>

The standard rate of tax for the year, based on the UK standard rate of corporation tax is 20.5% (2014: 22%). The actual tax charge for the current and the previous year is different to the standard rate for the reasons set out in the following reconciliation:

	2015 £'000	2014 £'000
(Loss)/profit on ordinary activities before tax	(3,064)	3,636
Tax at 20.5% (2014: 22%)	628	(800)
Effects of:		
Expenses not deductible for tax purposes	(456)	(132)
Movement in general provisions	-	70
Capital allowances in excess of depreciation	(169)	(159)
(Accounted for in deferred tax)/losses utilised	(89)	12
Exempt dividends	765	1,000
Profit from associate	-	(17)
Share based costs	7	77
Overseas tax – withholding tax	(94)	(130)
Transfer pricing and worldwide debt cap adjustment	(587)	(71)
Adjustments to tax charge in respect of previous periods	10	20
Current tax credit/(charge) for the year	<u>15</u>	<u>(130)</u>

# International Trade and Exhibitions (JV) Limited

## Notes to the accounts Year ended 30 September 2015

### 9. Tax charge on profit on ordinary activities (continued)

	2015 £'000	2014 £'000
<b>Deferred taxation</b>		
Accelerated capital allowances	430	260
Short term timing differences	319	178
Net deferred tax asset	<u>749</u>	<u>438</u>
Net deferred tax asset – opening balance	438	369
Deferred tax credit	311	69
Net deferred tax asset at the end of the year	<u>749</u>	<u>438</u>

### Factors affecting future charges

Legislation was enacted on 26 October 2015 to reduce the main rate of corporation tax from 20% to 19% from 1 April 2017, with a further reduction to 18% from 1 April 2020.

### 10. Intangible assets

	Trademarks £000	Goodwill £000	Total £000
<b>Cost</b>			
As at 1 October 2014 and 30 September 2015	71	17,192	17,263
<b>Amortisation</b>			
As at 1 October 2014	25	16,600	16,625
Charge for the year	28	570	598
As at 30 September 2015	53	17,170	17,223
<b>Net book value at 30 September 2015</b>	<u>18</u>	<u>22</u>	<u>40</u>
Net book value at 30 September 2014	<u>46</u>	<u>592</u>	<u>638</u>

# International Trade and Exhibitions (JV) Limited

## Notes to the accounts Year ended 30 September 2015

### 11. Tangible fixed assets

	Leasehold buildings £000	Plant and equipment £000	Total £000
<b>Cost</b>			
As at 1 October 2014	1,012	5,642	6,654
Additions	-	1,285	1,285
As at 30 September 2015	1,012	6,927	7,939
<b>Depreciation</b>			
As at 1 October 2014	730	3,283	4,013
Charge for the year	52	801	853
As at 30 September 2015	782	4,084	4,866
<b>Net book value at 30 September 2015</b>	230	2,843	3,073
Net book value at 30 September 2014	282	2,359	2,641

### 12. Investments

The Company holds investments, in the form of ordinary shares, in the following subsidiary undertakings:

Subsidiary undertakings	Country of incorporation or principal business address	%
ITE Asia Exhibitions Ltd	Hong Kong	100
ITE Ebseek Exhibitions Ltd <sup>1</sup>	Hong Kong	70 <sup>2</sup>
Breakbulk Events and Media (China) Ltd <sup>1</sup>	China	100
Trade Link ITE SDN BHD	Malaysia	100 <sup>3</sup>
ITE International Trade and Exhibitions EURL	Algeria	100
ITECA ALA-TOO LLC	Kyrgyzstan	100
Scoop International Fashion Limited	England	95
ITE International Exhibitions and Conferences Service (Beijing) Co Ltd	China	100
ZAO Primexpo	Russia	100
Summit Trade Events Ltd	England	100
Iteca Caspian LLC	Azerbaijan	100
ITECA LLP	Kazakhstan	100
Too Kazexpomontage Ltd <sup>1</sup>	Kazakhstan	100
ITE Uzbekistan	Uzbekistan	100

<sup>1</sup> Held indirectly by the Company, through other subsidiary undertakings.

<sup>2</sup> At 30 September 2015 the shareholding was 0% (note 24).

<sup>3</sup> At 30 September 2015 the shareholding was 75% (note 24).

The principal activity of all subsidiaries is the organising of international trade exhibitions and conferences.

# International Trade and Exhibitions (JV) Limited

## Notes to the accounts Year ended 30 September 2015

### 12. Investments (continued)

	Shares and equity £000	Loans £000	Total £000
<b>Cost</b>			
As at 1 October 2014	14,247	12,908	27,155
Additional investment	759	-	759
As at 30 September 2015	15,006	12,908	27,914
<b>Provisions</b>			
As at 1 October 2014 and 30 September 2015	-	10,620	10,620
<b>Net book value</b>			
30 September 2015	15,006	2,288	17,294
30 September 2014	14,247	2,288	16,535

Loans represent amounts advanced to ITE Overseas Ltd, a fellow group undertaking. The additional investment relates to further contributions to the company's subsidiaries, Scoop Ltd and Trade Link ITE SDN BHD, and to Lentewenc Sp. z.o.o., in which the Company has a 40% shareholding.

### 13. Debtors

	2015 £'000	2014 £'000
<b>Debtors due within one year</b>		
Trade debtors	2,088	1,411
Amounts owed by parent and fellow subsidiary undertakings	66,134	29,987
Deferred tax asset	749	438
Corporation tax prepaid	119	1,000
Other debtors	204	423
Venue loans and other loans	631	223
Prepayments and accrued income	301	897
	<b>70,226</b>	<b>34,379</b>
<b>Debtors due after one year</b>		
Venue loans and other loans	-	692

# International Trade and Exhibitions (JV) Limited

## Notes to the accounts Year ended 30 September 2015

### 14. Creditors

	2015 £'000	2014 £'000
<b>Creditors: amounts falling due within one year</b>		
Bank loans and overdraft	8,745	-
Trade creditors	244	240
Amounts owed to parent and fellow subsidiary undertakings	11,038	14,158
Put option liabilities	1,531	-
Other creditors	633	556
Accruals and deferred income	5,494	6,589
Deferred consideration	145	184
	<u>27,830</u>	<u>21,727</u>
<b>Creditors: amounts falling due after one year</b>		
Bank loans and overdraft	69,616	42,900
Put option liabilities	803	1,515
	<u>70,419</u>	<u>44,415</u>

### 15. Provisions for liabilities and charges

	National Insurance on share options £000
1 October 2014	129
Charged to income statement	36
Utilised during the year	(58)
30 September 2015	<u>107</u>
Included in current liabilities	84
Included in non-current liabilities	23
	<u>107</u>

The provision for National Insurance on share options is calculated by reference to the employer's National Insurance cost on the potential gain based on the difference between the exercise price and share price for those share options where the share price exceeds the exercise price at 30 September 2015.

# International Trade and Exhibitions (JV) Limited

## Notes to the accounts Year ended 30 September 2015

### 16. Share capital

	2015 £'000	2014 £'000
<b>Authorised share capital:</b>		
1,000 ordinary shares of £1 each	<u>1</u>	<u>1</u>
<b>Allotted, called up and fully paid:</b>		
1,000 ordinary shares of £1 each	<u>1</u>	<u>1</u>

### 17. Share-based payments

#### Share option plans – Equity settled

The Group operates a share option plan for all employees of the Group. Options are exercisable at a price equal to the average quoted market price of the parent company's share on the date of grant. The vesting period is either three or five years and are exercisable up to 10 years from granting. The options are forfeited if the employee leaves the Group before the options vest.

#### Performance share plans – Equity settled

The Group operates a Performance Share Plan ("PSP") for executives and staff. Awards under the PSP are at an exercise value of either 1p. Awards can be made to an employee over shares up to a maximum of 100% of base salary each year based on market value. The vesting period is three years and the awards are exercisable up to 10 years from the date of grant. The awards are forfeited if the employee leaves the Group before the awards vest. The awards are also subject to a performance target.

Details of the share options outstanding as at 30 September 2015 are as follows:

	2015 Number of share options	2015 Weighted average exercise price (p)	2014 Number of share options	2014 Weighted average exercise price (p)
<b>Share option plans</b>				
Outstanding at beginning of period	721,000	218.9	914,000	215.2
Granted during the period	1,206,834	148.3	110,000	230.0
Lapsed during the period	(152,013)	186.7	(51,500)	218.3
Exercised during the period	-	-	(251,500)	210.5
Outstanding at end of the period	<u>1,775,821</u>	<u>173.2</u>	<u>721,000</u>	<u>218.9</u>
<b>Performance share plans</b>				
Outstanding at beginning of period	1,876,250		1,622,800	1.0
Granted during the period	629,500		668,500	1.0
Lapsed during the period	(308,190)		(39,000)	(1.0)
Exercised during the period	<u>(168,500)</u>		<u>(376,050)</u>	<u>(1.0)</u>
Outstanding at the end of the period	<u>2,029,060</u>		<u>1,876,250</u>	<u>1.0</u>

The share options outstanding under the Share Options Plan at 30 September 2015 had a weighted average exercise price of 173p, and a weighted average remaining contractual life of 578 days. The share options outstanding at 30 September 2015 under the Performance Share Plan had a weighted average exercise price of 1p, and a weighted average remaining contractual life of 445 days.

The Company recognised total expenses of £65,000 (2014: £129,000) related to equity settled share-based payment transactions.

# International Trade and Exhibitions (JV) Limited

## Notes to the accounts Year ended 30 September 2015

### 17. Share-based payments (continued)

The inputs into the Black-Scholes Option Pricing model are as follows:

	2015	2015	2014	2014
	Performance	Share	Performance	Share
	share plan	Option	share plan	Option
		plan		plan
Weighted average share price	1p	143p	1p	229p
Weighted average exercise price	1p	146p	1p	229p
Expected volatility	38%	38%	28%	28%
Expected life	3 years	3 years	3 years	3 years
Risk free rate	0.70%	0.70%	0.92%	0.92%
Dividend yield	3.50%	3.50%	2.35%	2.35%

### 18. Contingent liabilities

At 30 September 2015 the Company had no material contingent liabilities (2014: £nil).

### 19. Derivatives

As at 30 September 2015 the Company has derivatives which are not included at fair value in the accounts:

	2015	2015	2014	2014
	£'000	£'000	£'000	£'000
	Nominal	Fair value	Nominal	Fair value
<b>Derivative assets</b>				
Foreign currency forward contracts	30,593	3,479	64,132	3,301
<b>Derivative liabilities</b>				
Foreign currency forward contracts	10,444	99	-	-

The Company utilises currency derivatives to hedge significant highly probable forecast transactions and Group cash flows. During the year the Company has been party to foreign currency forward contracts in the management of its exchange rate exposures to highly probable forecast euro currency receipts. The instruments purchased are denominated in euros.

As at 30 September 2015 the notional amounts of outstanding foreign currency forward contracts that the Company has committed to amounted to £30.6 million. These arrangements are designed to address significant exchange exposures for the next 36 months and are renewed on a revolving basis as required, subject to not committing the Company to less than six months or more than 36 months in the future.

At 30 September 2015, the fair value of these derivatives is estimated to be an asset of approximately £3.4 million (2014: asset of £3.3 million). These amounts are based on market valuations.

The Group has taken out foreign currency overdrafts in euros and US dollars to act as a natural hedge against certain currency trade receivable balances. These borrowings have not been designated as hedging instruments by management. All foreign exchange movements on these borrowings and trade receivables are recognised directly in the income statement.

The Company held put option liabilities over the interests in Trade Link ITE SDN BHD and Scoop International Fashion Limited that it did not own at the balance sheet date. These are held on the balance sheet within creditors (note 14) at fair value and valued at £2.3 million (2014: £1.5 million).

# International Trade and Exhibitions (JV) Limited

## Notes to the accounts

### Year ended 30 September 2015

#### 20. Financial commitments

At the balance sheet date the Company has annual commitments under non-cancellable operating leases in relation to land and buildings, which expire as follows:

	2015 £'000	2014 £'000
Between two and five years	550	-
After five years	-	465

#### 21. Related party transactions

During the year the Company had no transactions with related parties. No amounts were owed at 30 September 2015 (2014: £nil).

The Company has taken advantage of the exemption granted by paragraph 3(c) of Financial Reporting Standard No. 8, Related Party Transactions, not to disclose transactions with other members of the group headed by ITE Group plc.

#### 22. Ultimate parent company

The Company is a subsidiary undertaking of ITE Enterprises Limited, a company incorporated in Great Britain and registered in England and Wales. The smallest and largest group in which the results of International Trade and Exhibitions (JV) Limited are consolidated is that headed by ITE Group plc (registered office 105 Salusbury Road, London NW6 6RG). The accounts of ITE Enterprises Limited and the consolidated accounts of ITE Group plc may be obtained from ITE Group plc at the same address.

#### 23. Reserves and reconciliation of shareholder's funds

	Share capital £000	Profit and loss account £000	Put option reserve £000	Merger reserve £000	Total £000
At 30 September 2013	1	8,570	(1,215)	(580)	6,776
Profit for the financial period	-	3,575	-	-	3,575
Capital contribution	-	129	-	-	129
Recognition of put option on acquisition of subsidiary	-	-	(282)	-	(282)
Dividends	-	(15,000)	-	-	(15,000)
At 30 September 2014	1	(2,726)	(1,497)	(580)	(4,802)
Loss for the financial period	-	(2,738)	-	-	(2,738)
Capital contribution	-	65	-	-	65
At 30 September 2015	1	(5,399)	(1,497)	(580)	(7,475)



## **International Trade and Exhibitions (JV) Limited**

### **Notes to the accounts**

#### **Year ended 30 September 2015**

##### **24. Post balance sheet events**

In November 2015 the Company exercised its put option over the remaining 25% stake in Trade Link ITE SDN BHD for cash consideration of £1.9 million, taking the Company's shareholding in the Malaysian company to 100%.

In January 2016, International Trade and Exhibitions (JV) Limited's wholly owned subsidiary, ITE Asia Exhibitions Ltd, acquired 70% of the shares of Shanghai ITE Ebseek Exhibitions Co Ltd ("ITE Ebseek"), the organiser of industrial fasteners exhibitions in Shanghai and Guangzhou, for consideration of £2.9m, of which £0.9m is deferred and contingent on the performance of the 2016 and 2017 events. The acquisition of ITE Ebseek is consistent with the Company's strategy of expanding into existing sectors in new markets.