EUROFINANCE CONFERENCES LIMITED

STRATEGIC REPORT, DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31st 2020

Registered number: 03015764

Contents

EUROFINANCE CONFERENCES LIMITED

Strategic report for the year ended March 31st 2020

The directors present their Strategic report for EuroFinance Conferences Limited (the company) for the year ended March 31st 2020.

Principal activities and business review

The principal activity of the company is the organisation, marketing and management of international conferences and training courses on cash and treasury management and related financial subjects. The company revenues were slightly down on last year due to the impact of the covid-19 pandemic affecting events in February and March. Costs were up 4% reflecting late cancellations of events due to the covid-19 pandemic. At the end of the year, the company had net assets of £5,318,000 (2019: £3,177,000).

Going concern

The directors have prepared these financial statements on the going concern basis, and in doing so have considered the matters set out in the paragraphs below.

The Company is a subsidiary of The Economist Newspaper Limited which operates a centralised treasury function to manage the liquidity needs of The Economist Newspaper Limited and all its subsidiaries (together "the Group"). All subsidiaries participate in the Group's treasury operations either by contributing funding to or drawing funding from fellow subsidiaries. The continued availability of the Group's borrowing facilities depends on the Group's overall performance, and therefore the context of the whole Group is relevant when considering the going concern basis of accounting.

The covid-19 pandemic has impacted the Group's businesses, though the Group's overall liquidity position has strengthened due to careful management of the cost base and working capital. The Economist has continued to publish and has seen an increase in subscription revenue despite lower marketing spend whilst the EIU has performed well in the circumstances. Both Client Solutions and Events businesses have experienced declining advertising, sponsorship and delegate revenues due to lower client marketing activity and the cancellation of physical events.

The Group has taken a number of actions in response to the measures introduced by governments due to covid-19, and the impact of these measures on the economy and the markets in which the Group operates, including:

- Cost-saving initiatives, such as reducing marketing spend, reducing executive pay and suspending Board pay for six months, delays to recruitment, and technology and operating expenditure cuts including a number of redundancies;
- Closing the EIU Canback and TVC businesses;
- Not making dividend payments throughout 2020;
- Agreeing, for precautionary reasons, with the syndicate of banks providing the Group's £150m RCF to substantially relax the covenant tests for September 2020 and March 2021, with a commitment to review the September 2021 tests if required; and
- Changed borrowing limits, for precautionary reasons, should there be a need to access additional liquidity in the future.

These measures already taken together with future actions that could be taken mean that based on the Group's cashflow forecasts and projections reviewed by the board of The Economist Newspaper Limited in November 2020, which take into account the impact of covid-19 on the Group's trading since its onset in March 2020, the Group will continue to have sufficient liquidity headroom in its existing facilities and measurement headroom against the RCF financial covenants and will be able to operate within the level of its bank facilities for the foreseeable future. For this reason, the going-concern basis has been adopted in preparing these financial statements.

EUROFINANCE CONFERENCES LIMITED

Strategic report for the year ended March 31st 2020 (continued)

Future developments

The directors acknowledge that the covid-19 pandemic has impacted the ability to deliver physical events in the short-term. A number of conferences scheduled for the coming financial year will either need to be cancelled or re-programmed as digital or virtual events and this will impact revenues and margins. Activity is expected to return to previous levels when the market for physical events returns to normal and delegate travel is no longer impacted by lock-downs caused by the pandemic.

Results and dividends

The profit for the financial year amounted to £2,141,000 (2019: £2,621,000). No interim dividend was paid during the year (2019: £nil). The directors do not propose a final dividend (2019: £nil).

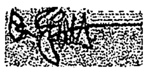
Principal risks and uncertainties

The Economist Group's annual review of risk highlighted the following principal areas relevant to the company: changes to its markets; the quality of the Company's products keeping up with customers' expectations; business continuity; the challenges in retaining customers; employing and retaining talent; the impact of cybercrime attacks; regulatory risk, such as changes to privacy laws; and the financial operations of the company.

Key performance indicators

The key financial and other performance indicator is profit margin. The gross profit margin was 53% (2019: 56%) and the operating profit margin was 27% (2019: 31%).

The Strategic report has been approved by the Board and signed on its behalf by:



O K M Grut
Company secretary

17th December 2020

Registered office

The Adelphi
1-11 John Adam Street
London
WC2N 6HT

EUROFINANCE CONFERENCES LIMITED

Directors' report for the year ended March 31st 2020

The directors present their annual report and audited financial statements of the company for the year ended March 31st 2020.

Future developments, results and dividends

The future developments, results and dividends of the company have been discussed within the Strategic report on page 3.

Financial risk management

The Economist Group's annual review of risk highlighted the following principal areas of financial risk relevant to the company: liquidity, interest rate, financial counterparty and foreign currency risk management.

These risks and the financial risk management policies are discussed in The Economist Group Annual report 2020 within the Directors report on pages 20-21 under the heading 'Internal control', in the financial review on pages 25-27 and in the notes to the accounts under the heading 'Financial risk management' on pages 84-87.

The Company is a member of The Economist Newspaper Limited group of companies. The group operates a centralised treasury function and advances funds through intercompany loans to group companies to meet their financing needs as required.

Directors

The directors who served on the board during the financial year and up to the date of signing the financial statements are set out below:

O K M Grut
S P Naughton
L Salame Boro (appointed September 2nd 2019)
C J Stibbs (resigned August 30th 2019)

Directors' indemnities

The Economist Group provides, to the extent permitted by law, an indemnity to all directors and officers of the company and its subsidiaries in respect of claims against them arising in respect of the conduct of the business of the Group. The Economist Group has also purchased directors' and officers' insurance cover against certain legal liabilities and costs for claims in connection with any act or omission by such directors and officers in the execution of their duties.

Directors' responsibilities statement

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), including FRS 101 "Reduced Disclosure Framework. 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;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;

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Directors' report for the year ended March 31st 2020 (continued)

Directors' responsibilities statement (continued)

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to the 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 auditors are unaware; and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information..

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

Reappointment of auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and Deloitte LLP will therefore continue in office.

The Director's report has been approved by the Board and signed on its behalf by:

O K M Grut
Company secretary

17th December 2020

Registered office

The Adelphi
1-11 John Adam Street
London
WC2N 6HT

EUROFINANCE CONFERENCES LIMITED

Independent auditor's report to the members of Eurofinance Conferences Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Eurofinance Conferences Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at March 31st 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 15.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the FRC's) Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

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

We have nothing to report in respect of these matters.

Independent auditor's report to the members of Eurofinance Conferences Limited (continued)

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

Responsibilities of directors

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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

EUROFINANCE CONFERENCES LIMITED

Independent auditor's report to the members of Eurofinance Conferences Limited (continued)

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report and the directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters 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.

We have nothing to report in respect of these matters.

Use of our report

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.

William Touche (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom

17th December 2020

EUROFINANCE CONFERENCES LIMITED

Statement of comprehensive income for the year ended March 31st 2020

	Note	2020 £'000	2019 £'000
Revenue	2	8,528	8,540
Cost of sales	3	(3,986)	(3,766)
Gross profit		**4,542**	**4,774**
Administrative expenses	3	(2,198)	(2,155)
Profit before taxation		**2,344**	**2,619**
Tax on profit	6	(203)	2
Profit for the financial year and total comprehensive income		**2,141**	**2,621**

The results reported above relate solely to continuing operations.

The notes on pages 13 to 22 are an integral part of these financial statements.

EUROFINANCE CONFERENCES LIMITED

Balance sheet as at March 31st 2020

	Note	2020 £'000	2019 £'000
Property, plant and equipment	7	14	8
Intangible assets	8	136	233
Deferred tax assets	9	5	8
Non-current assets		**155**	**249**
Prepaid event costs	10	6	491
Trade and other receivables	11	10,057	6,594
Cash and cash equivalents		-	7
Current assets		**10,063**	**7,092**
Total assets		**10,218**	**7,341**
Trade and other liabilities	12	(4,897)	(4,164)
Overdraft		(3)	-
Current liabilities		**(4,900)**	**(4,164)**
Total liabilities		**(4,900)**	**(4,164)**
Net assets		**5,318**	**3,177**
Shareholder's funds			
Called up share capital	13	10	10
Share premium account		26	26
Retained earnings		5,282	3,141
Total shareholder's funds		**5,318**	**3,177**

The notes on pages 13 to 22 are an integral part of these financial statements.

The financial statements of EuroFinance Conferences Limited (registered number 03015764) were approved by the board of directors and authorised for issue on 17th December 2020. They were signed on its behalf by:

S P Naughton
Director

Company registered number: 03015764

EUROFINANCE CONFERENCES LIMITED

Statement of changes in equity for the year ended March 31st 2020

Year ended March 31st 2020	Note	Called up share capital £'000	Share premium account £'000	Retained earnings £'000	Total shareholder's funds £'000
At April 1st 2019		10	26	3,141	3,177
Comprehensive income for the year					
Profit for the financial year		-	-	2,141	2,141
Total comprehensive income		-	-	2,141	2,141
At March 31st 2020		10	26	5,282	5,318

Year ended March 31st 2019	Note	Called up share capital £'000	Share premium Account £'000	Retained earnings £'000	Total shareholder's funds £'000
At April 1st 2018		10	26	520	556
Comprehensive income for the year					
Profit for the financial year		-	-	2,621	2,621
Total comprehensive income		-	-	2,621	2,621
At March 31st 2019		10	26	3,141	3,177

The notes on pages 13 to 22 are an integral part of these financial statements.

EUROFINANCE CONFERENCES LIMITED

Notes to the financial statements for the year ended March 31st 2020

1. Accounting policies

The company is a private company limited by shares incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales. The address of its registered office is The Adelphi, 1-11 John Adam Street, London, WC2N 6HT.

The principal activity of the company is disclosed in the Strategic report.

The accounting policies applied in the preparation of these financial statements have been consistently applied to the periods presented unless otherwise stated. The principal accounting policies applied in the preparation of these financial statements are set out below.

a) Basis of preparation

These financial statements have been prepared on the going concern basis under the historical cost convention, in accordance with Financial Reporting Standard 101 "Reduced Disclosure Framework" (FRS 101) as issued by the Financial Reporting Council and with those parts of the Companies Act 2006 applicable to companies reporting under FRS 101. All accounting policies have been applied consistently. Refer to the going-concern disclosure within the strategic report for further information.

There were no critical accounting assumptions or areas where management exercised its judgment in the process of applying the company's accounting policies.

New standards adopted in the year

The following standards interpretations and amendments adopted in the year were adopted in 2020

- IFRS 16 "Leases";
- Amendments to IFRS 9 "Prepayment features with negative compensation and modification of financial liabilities";
- Amendments to IAS 19 "Plan amendments, curtailments or settlements";
- Annual improvements to IFRS's 2015-17 cycle; and
- IFRIC 23 Uncertainty over Income Tax Treatments.

There has been no impact of the adoption of these standards.

b) FRS 101 reduced disclosure

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 101:

- the requirements of IFRS 7 and IFRS 9 Financial Instruments: Disclosures and Financial Instruments;
- the requirements of paragraphs 91 to 99 of IFRS 13 Fair Value Measurement;
- the requirements of IAS 7 Statement of Cashflows;
- the requirements of paragraphs 17 and 18A of IAS 24 Related Party Disclosures; and
- the requirements of IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group;
- disclosures in respect of capital management;
- the effects of new but not yet effective IFRSs; and
- disclosures in respect of revenue being the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119 (a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from contracts with customers.

This information is included in the consolidated financial statements of The Economist Newspaper Limited as at March 31st 2020 (see note 15).

1. Accounting policies (continued)

c) Revenue

The company's significant revenue stream relates to the provision of events.

Revenue is recognised in order to depict the transfer of control of promised services to customers in an amount that reflects the consideration to which we expect to be entitled in exchange for those services. This process begins with the identification of our contract with a customer, which is generally through a master services agreement, acceptance of terms and conditions, customer purchase order, or a combination thereof. Within each contract, judgment is applied to determine the extent to which activities within the contract represent distinct performance obligations to be delivered and the total amount of transaction price to which we expect to be entitled.

The transaction price determined is net of sales taxes, rebates and discounts, and after eliminating sales within the company. Where a contract contains multiple performance obligations such as the provision of more than one service, revenue is allocated on the basis of relative standalone selling prices.

Revenue is recognised on contracts with customers when or as performance obligations are satisfied which is the period or the point in time where control of services transfer to the customer. Judgment is applied to determine first whether control passes over time and if not, then the point in time at which control passes. Where revenue is recognised over time judgment is used to determine the method which best depicts the transfer of control. Where an input method is used significant estimation is required to determine the progress towards delivering the performance obligation.

The company may enter into contracts with another party in addition to our customers. In making the determination as to whether revenue should be recognised on a gross or net basis, the contract with the customer is analysed to understand which party controls the relevant service prior to transferring to the customer. This judgment is informed by facts and circumstances of the contract in determining whether the company has promised to provide the specified service or whether the company is arranging for the transfer of the specified service, including which party is responsible for fulfilment, has discretion to set the price to the customer and is responsible for inventory risk.

Additional details on the company's revenue streams are also included in note 2.

d) Deferred income

Event income and directly related expenditure is recognised in the accounting year in which the event takes place. Income and directly related expenditure in respect of events taking place in a future accounting year are taken to deferred income and deferred expenditure accounts in the financial statements, as long as the directors are satisfied that the event is ultimately profitable.

e) Foreign currency translation

The financial statements are presented in sterling, which is the company's functional and presentation currency. Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign-exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of comprehensive income.

1. Accounting policies (continued)

f) Property, plant and equipment

Property, plant and equipment are stated at historical cost less depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for intended use. Finance costs which are directly attributable to the cost of construction of property, plant and equipment are capitalised as part of the costs of that tangible fixed asset. Depreciation on other assets is calculated using the straight-line method to allocate their cost less their residual values over their estimated useful lives as follows:

Equipment: 3 - 10 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance-sheet date.

The carrying value of an asset is written down to its recoverable amount if the carrying value of the asset is greater than its estimated recoverable amount.

g) Intangible assets

Internal and external costs incurred during the preliminary stage of developing computer software for internal use are expensed as incurred. Internal and external costs incurred to develop computer software for internal use during the application development stage are capitalised if the company expects economic benefits from the development. Capitalisation in the application development stage begins once the company can reliably measure the expenditure attributable to the software development and has demonstrated its intention to complete and use the software. Internally developed software is amortised on a straight-line basis over its estimated useful life of between three and ten years.

h) Prepaid event costs

Prepaid event costs and work in progress are valued at the lower of cost and net realisable value. Cost includes all direct expenditure relating to future events. Deferred conference costs represent costs incurred for conferences planned to be held after the balance sheet date.

i) Cash and cash equivalents

Cash and cash equivalents include cash in hand.

The company is a wholly-owned subsidiary of The Economist Newspaper Limited and the cashflows of the company are included in the consolidated cashflow statement of The Economist Newspaper Limited. Consequently, the company is exempt under the terms of FRS 101 from publishing a cashflow statement.

j) Called up share capital

Ordinary shares are classified as equity.

k) Dividends

Dividends are recorded in the financial statements in the period in which they are approved by the company's shareholder.

1. Accounting policies (continued)

l) Taxation

Current tax is recognised on the amounts expected to be paid or recovered under the tax rates and laws that have been enacted or substantively enacted at the balance-sheet date.

Deferred tax is provided, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance-sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available, against which the temporary differences can be utilised.

Current and deferred tax are recognised in the Statement of comprehensive income, except when the tax relates to items charged or credited directly to equity or other comprehensive income, in which case the tax is also recognised in equity or other comprehensive income.

Current and deferred tax are recognised in the same component of total comprehensive income or equity as the transaction or other event that resulted in the tax expense.

Deferred tax assets and liabilities require management judgment in determining the amounts to be recognised. In particular, significant judgment is used when assessing the extent to which deferred tax assets should be recognised with consideration given to the timing and level of future taxable income together with any future tax-planning strategies.

m) Pension

The company is a member of The Economist Group Pension Plan, where contributions are made to personal pension plans for certain employees. The expenditure is charged to the Statement of comprehensive income in the period to which it relates.

n) Related party transactions

As the company is a wholly-owned subsidiary of The Economist Newspaper Limited, the company has taken advantage of the exemption contained in FRS 101 and therefore has not disclosed transactions or balances with the companies that form part of the Group. There were no other related party transactions in the period.

o) Trade and other receivables

Trade receivables are recognised initially at the value of the invoice sent to the customer and subsequently at the amounts considered recoverable (amortised cost). The Company provides goods and services to substantially all of its customers on credit terms. Estimates are used in determining the level of receivables that will not, in the opinion of the Directors, be collected. These estimates include such factors as historical experience, the current state of the UK and overseas economies and industry specific factors. A provision for impairment of trade receivables is established where there is sufficient evidence that the Company will not be able to collect all amounts due with the provision for bad and doubtful debts based on expected credit losses. The carrying value of trade receivables is considered to approximate fair value.

Accrued income primarily relates to the Company's right to consideration for work completed but not billed at the reporting date.

EUROFINANCE CONFERENCES LIMITED

Notes to the financial statements for the year ended March 31st 2020 (continued)

1. Accounting policies (continued)

p) Trade and other payables and provisions

Trade payables are recognised at the value of the invoice received from a supplier. The carrying value of trade payables is considered to approximate fair value.

Deferred income primarily relates to consideration received from customers in advance for transferring a good or service.

A provision is recognised in the balance sheet when the Company has a present or legal or constructive obligation arising from past events, it is probable that cash will be paid to settle it and the amount can be estimated reliably. Provisions are determined by discounting the expected future cashflows. The unwinding of the discount is recognised as a financing cost in the statement of comprehensive income. The valuation of the provision is determined based on assumptions and estimates in relation to the amount and timing of actual cashflows which are dependent on future events.

2. Revenue

The revenue and profit before taxation are attributable to the one principal activity of the company.

Geographical analysis by destination	2020 £'000	2019 £'000
United Kingdom	959	824
Rest of Europe	5,726	5,907
Americas	727	1,065
Asia	107	116
Other	1,009	628
	8,528	8,540

All revenue originated from the United Kingdom (2019: United Kingdom).

Revenue from contracts with customers

The following tables analyse the company's revenue streams:

	2020 £'000	2019 £'000
Provision of events	8,528	8,540

2. Revenue (continued)

Nature of services

The following is a description of the nature of the company's performance obligations within contracts with customers broken down by revenue stream, along with significant judgments and estimates made within each of those revenue streams.

Provision of events

Sponsorship revenues relate to the sponsorship of events. Sponsorship revenue is recognised at a point in time when the event has taken place. Sponsorship sold as part of a bundled arrangement along with the company's other product offerings are considered to be distinct performance obligations. The transaction price is allocated between distinct performance obligations on the basis of their relative standalone selling prices. Customer payments are generally defined in the contract as occurring shortly after invoicing and are often invoiced in advance of delivery in the case of events.

Revenue generated from delegates relate to fees charged for attendance at the company's events and are recognised at a point in time when the event has taken place. Customer payments are generally received prior to the event taking place.

Contract balances

Transactions within Sponsorship revenue streams generally entail contractually agreed billing schedules sometimes based on progress towards milestones. As the performance obligations within these arrangements are delivered at a point in time, the extent of accrued income or deferred income will depend upon the difference between revenue recognised and billings to date. Refer to note 11 for opening and closing balances of accrued income. Refer to note 12 for opening and closing balances of deferred income.

3. Expenses by function

	2020 £'000	2019 £'000
Conference costs	3,016	2,931
Promotional costs	210	-
Employee benefit costs (note 4)	1,800	1,807
Contract labour	339	203
Employee related expenses	76	66
Depreciation of property, plant and equipment (note 7)	7	5
Amortisation of licenses and software (note 8)	111	88
Property and facilities	23	16
Technology and communications	66	74
Professional and outsourced services	331	403
Other general and administrative costs	203	269
Foreign exchange losses	18	42
Other net (gains)/losses	(16)	17
	6,184	5,921

The audit fee is borne by the ultimate parent company. The Economist Newspaper Limited. The audit fee for the audit of the company's financial statements was £13,910 (2019: £13,245). There were no fees incurred from the company's auditor in respect of non-audit services during the year (2019: £nil).

EUROFINANCE CONFERENCES LIMITED

Notes to the financial statements for the year ended March 31st 2020 (continued)

4. Staff costs

Particulars of employee costs are shown below:

	2020 £'000	2019 £'000
Wages and salaries	1,528	1,530
Social security costs	153	154
Other pension costs	119	123
	1,800	1,807

No defined contribution pension payments were accrued at the year-end (2019: £nil). The average number of persons employed by the company during the year, analysed by category was as follows:

	2020 No.	2019 No.
Other	12	13
Event management	8	10
	20	23

5. Directors' emoluments

None of the directors received any emoluments in respect of their services to the company during the year (2019: £nil).

6. Tax on profit

The taxation expense/(credit) is based on the profit before taxation and comprises:

	2020 £'000	2019 £'000
Current tax expense		
UK corporation tax charge	200	-
Adjustments in respect of prior years	-	1
	200	1
Deferred tax expense/(credit)		
Current year	4	(2)
Effect of changes in tax rates on deferred tax	(1)	-
Adjustments in respect of prior years	-	(1)
	3	(3)
Total tax expense/(credit) for the year	203	(2)
Effective tax rate	9%	-%

The UK corporation tax rate for the year is 19% (2019: 19%). The tax on the result before taxation differs from the theoretical amount that would arise using the UK tax rate for the reasons set out in the following reconciliation:

	2020 £'000	2019 £'000
Profit before taxation	2,344	2,619
Tax calculated at UK rate of 19% (2019: 19%)	446	498
Factors affecting the tax charge		
Disallowable expenditure	4	4
Group relief claimed for no payment	(246)	(504)
Effect of changes in tax rates on deferred tax	(1)	-
Total tax expense/(credit) for the year	203	(2)

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Notes to the financial statements for the year ended March 31st 2020 (continued)

7. Property, plant and equipment

	Equipment £'000
Cost	
At April 1st 2019	320
Additions	13
At March 31st 2020	333
Accumulated depreciation	
At April 1st 2019	312
Charge for the year	7
At March 31st 2020	319
Net book value	
At March 31st 2019	8
At March 31st 2020	14

8. Intangible assets

	Licenses and software £'000
Cost	
At April 1st 2019	385
Additions	14
At March 31st 2020	399
Accumulated amortisation	
At April 1st 2019	152
Charge for the year	111
At March 31st 2020	263
Net book value	
At March 31st 2019	233
At March 31st 2020	136

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Notes to the financial statements for the year ended March 31st 2020 (continued)

9. Deferred tax assets

	2020 £'000	2019 £'000
Deferred tax assets	5	8

Substantially all of the deferred tax assets are expected to be recovered after more than one year.

Deferred tax assets and liabilities may be offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred taxes relate to the same fiscal authority. At March 31st 2020 the company has unrecognized deferred tax assets of £nil (2019: £nil).

The recognition of the deferred tax assets is supported by management's forecasts of the future profitability of the business. The movement on the deferred tax account is as follows:

	2020 £'000	2019 £'000
At April 1st	8	5
(Charge)/credit to the Statement of comprehensive income	(3)	3
At March 31st	5	8

Deferred tax assets include temporary differences on capital allowances of £5,000 (2019: £4,000) and other provisions of £nil (2019: £4,000).

Changes to the UK main corporation tax rate from 17% (effective on April 1st 2020) to 19% (effective from April 1st 2020) were substantively enacted on March 17th 2020. The relevant UK deferred tax balances have been remeasured to the rate which is expected to apply to the period when the assets are realised and the liabilities are settled, based on the tax rates substantively enacted by the balance-sheet date.

10. Prepaid event costs

	2020 £'000	2019 £'000
Work-in-progress	6	491

Work-in-progress represents deposits on events and conferences that have not been held by the balance-sheet date. The cost of prepaid event costs recognised as an expense in the year is £3,015,000 (2019: £2,927,000).

11. Trade and other receivables

	2020 £'000	2019 £'000
Trade receivables	842	543
Amounts due from the ultimate parent company	8,993	5,743
Prepayments and accrued income	153	239
Other receivables	69	69
	10,057	6,594

Amounts owed by the ultimate parent company are non-interest bearing, unsecured and repayable on demand.

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Notes to the financial statements for the year ended March 31st 2020 (continued)

12. Trade and other liabilities

	2020 £'000	2019 £'000
Trade payables	363	376
Social security and other taxes	229	111
Amounts owed to group undertakings	105	110
Accruals and deferred income	4,181	3,550
Other liabilities	19	17
	4,897	4,164

Amounts owed to group undertakings are unsecured, non-interest bearing and repayable on demand.

Deferred income included above is £4,110 (2019: £3,335)

13. Called up share capital

	2020 £'000	2019 £'000
Allotted and fully paid:		
19,460 (2019: 19,460) ordinary shares of £0.50 each	10	10

14. Dividends

	2020 £'000	2019 £'000
Interim dividend paid: £nil (2019: £nil) per £0.50 share	-	-
	-	-

The directors do not propose that a final dividend be paid (2019: £nil).

15. Ultimate parent company and controlling party

The immediate parent company is The Economist Newspaper (Holdings) Limited, registered in England and Wales. The ultimate parent company and ultimate controlling party is The Economist Newspaper Limited, registered in England and Wales. This is the only company that consolidates these financial statements. The Economist Group Annual report 2020 can be obtained from The Adelphi, 1-11 John Adam Street, London, WC2N 6HT or viewed at www.economistgroup.com. This is the registered office of the immediate and ultimate parent companies. The Economist Group consists of The Economist Newspaper Limited and its subsidiary undertakings.