Company Registration No. 04241679 (England and Wales)

DIVERSIFIED BUSINESS COMMUNICATIONS UK LIMITED

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

DIVERSIFIED BUSINESS COMMUNICATIONS UK LIMITED
COMPANY INFORMATION

Directors	C Holm T Wirth K Willing P Warren FCA
Secretary	P Warren FCA
Company number	04241679
Registered office	Nile House 1st Floor Nile Street Brighton BN1 1HW
Independent Auditors	PricewaterhouseCoopers LLP The Portland Building 25 High Street Crawley West Sussex RH10 1BG

DIVERSIFIED BUSINESS COMMUNICATIONS UK LIMITED

STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2016

The directors present their strategic report for the company for the year ended 31 December 2016.

Review of the business

The company's principal activity continued to be that of organising trade shows, conferences and publishing trade magazines.

The key financial and other performance indicators during the year were as follows:

	2016	2015	Change
	£	£	%
Turnover	13,238,666	11,358,010	17%
Gross Profit	7,404,328	6,078,810	22%
Operating Profit	1,791,967	660,812	171%
Current assets as % of current liabilities	66%	52%	14%
Average number of employees	96	89	9%

Turnover increased by 17% primarily due the running of Accountex for the first time since the acquisition of the business of Prysm Professional Ltd in 2015 together with the launch of a new show and an awards evening.

These combined with strong performance from the existing trade events helped drive gross profit to £7,404,328, an increase of 22% over 2015.

The company took the decision to sell one trade show during the year and to close another, due principally to the changing business environment for that show.

Current assets as a percentage of current liabilities has risen against that for 2015 following the repayment of amounts owed to group undertakings during the year. Advanced sales of our 2017 shows have been strong, all of which have been treated as deferred income and will all be released once the events have taken place. For further details see note 14.

As the company continues to grow, so does the number of full time employees which has now risen from an average of 89 in 2015 to 96 in 2016 and will continue to grow in 2017 as new trade events come on line.

Principal risks & uncertainties

The company is always at risk from market changes affecting the business sectors relating to its trade shows, exhibitions and publications such as low visitor attendance, availability of suitable venues or new competitors shows coming to the market. However, as the company operates its events across a broad spectrum of business sectors, any uncertainties arising can be managed accordingly.

Future developments & performance

2016 saw the company take a significant step forward in moving to a single Customer Revenue Management system across all its offices and that program will continue to be rolled out in 2017 which will develop and strengthen the sales and marketing teams. The company's strategy of launching new shows continues with plans being developed for additional events in 2017 and 2018.

Position of company at year end

The company is fortunate to have strong cashflows from all its trade events and is well placed to take advantage of the opportunities that exist in 2017 and is looking forward to another successful year.

By order of the board

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P Warren FCA
Company Secretary

14/3/17

The directors present their report and audited financial statements of the company for the year ended 31 December 2016.

Principal activities
The principal activity of the company continued to be that of organising trade shows, conferences and publishing trade magazines.

Future developments
The company continues on its plans to introduce a single Customer Relationship Management platform across all locations, which has already added significant improvements to its existing systems.

Directors
The directors who held office during the year and up to the date of signing of the financial statements were as follows:

C Holm
T Wirth
K Willing
P Warren FCA (appointed 14 December 2016)

Financial risk management
The company's operations expose it to a variety of financial risks that include the effects of changes in credit risk, liquidity risk and cash flow risk. The company has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the company by monitoring levels of debt finance and the related finance costs.

Given the size of the company, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board and instead the policies set by the board of directors are implemented by the company's finance department. The department has a policy that sets out specific guidelines to manage credit risk, liquidity risk and cash flow risk and circumstances where it would be appropriate to use financial instruments to manage these.

Credit risk
Credit risk arises from cash and cash equivalents, and deposits with banks and financial institutions, as well as credit exposures to wholesale and retail customers, including outstanding receivables and committed transactions. For banks and financial institutions, only independently rated parties with a minimum rating of 'A' are accepted. If wholesale customers are independently rated, these ratings are used. If there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings and are regularly monitored. The amount of exposure to any individual counterparty is subject to a limit, which is reviewed regularly by the finance department.

Liquidity risk
The company aims to mitigate liquidity risk by managing cash generation by its operations, applying cash collection targets and structured payment processes. The company via its group also manages liquidity risk via funds available from intercompany arrangements.

Cash flow risk
Cash flow risk is the risk of exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability such as exchange rate variations. The company does manage this risk by utilising forward contracts for currency conversion.

Statement of directors' responsibilities in respect of the financial statements
The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

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

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

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Disclosure of information to auditors

As far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

Independent auditors

PricewaterhouseCoopers LLP have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the Annual General Meeting.

On behalf of the board

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C Holm
Director

14 March 2017.
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DIVERSIFIED BUSINESS COMMUNICATIONS UK LIMITED

Report on the financial statements

Our opinion

In our opinion, Diversified Business Communications UK Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 December 2016 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.

What we have audited

The financial statements, included within the Report and Financial Statements (the "Annual Report"), comprise:

- the balance sheet as at 31 December 2016;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

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 addition, in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Strategic Report and the Directors' Report. We have nothing to report in this respect.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

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

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 4, 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) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

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. With respect to the Strategic Report and Directors' Report, we consider whether those reports include the disclosures required by applicable legal requirements.

M. Haverson

Matthew Haverson (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Gatwick
14 March 2017

DIVERSIFIED BUSINESS COMMUNICATIONS UK LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2016

	Note	2016 £	2015 £
Turnover	**5**	13,238,666	11,358,010
Cost of sales		(5,834,338)	(5,279,200)
Gross profit		7,404,328	6,078,810
Administrative expenses		(5,612,361)	(5,431,735)
Other operating income		-	13,737
Operating profit	**6**	1,791,967	660,812
Interest receivable and similar income	**8**	1,101	1,110
Profit on ordinary activities before taxation		1,793,068	661,922
Tax on profit on ordinary activities	**9**	(540,799)	(329,632)
Profit for the financial year		1,252,269	332,290
Other comprehensive income		-	-
Total comprehensive income		1,252,269	332,290

The statement of comprehensive income has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the statement of comprehensive income.

DIVERSIFIED BUSINESS COMMUNICATIONS UK LIMITED

BALANCE SHEET
AS AT 31 DECEMBER 2016

	Note	2016 £	2016 £	2015 £	2015 £
Fixed assets					
Intangible assets	10		5,251,453		6,300,037
Tangible assets	11		311,692		254,881
			5,563,145		6,554,918
Current assets					
Stocks	12	349,795		343,867	
Debtors	13	4,109,465		3,884,717	
Cash at bank and in hand		762,619		1,014,306	
		5,221,879		5,242,890	
Creditors: amounts falling due within one year	14	(7,905,241)		(10,051,650)	
Net current liabilities			(2,683,362)		(4,808,760)
Total assets less current liabilities			2,879,783		1,746,158
Creditors: amounts falling due after more than one year	15		-		(126,000)
Provisions for liabilities	16		(37,980)		(30,624)
Net assets			2,841,803		1,589,534
Capital and reserves					
Called-up share capital	18		338,101		338,101
Retained earnings			2,503,702		1,251,433
Total Shareholders' funds			2,841,803		1,589,534

The notes on pages 11 to 24 are an integral part of these financial statements.

The financial statements on pages 8 to 24 were authorised for issue by the board of directors on 14 March 2017 and are signed on its behalf by:

C Holm
Director
Diversified Business Communications UK Limited

Registered number 04241679

DIVERSIFIED BUSINESS COMMUNICATIONS UK LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2016

	Called up share capital	Retained earnings	Total Shareholders' funds
	£	£	£
Balance as at 1 January 2015	**338,101**	**919,143**	**1,257,244**
Profit for the financial year	-	332,290	332,290
Total comprehensive income for the year	-	332,290	332,290
Balance as at 31 December 2015	**338,101**	**1,251,433**	**1,589,534**
Balance as at 1 January 2016	**338,101**	**1,251,433**	**1,589,534**
Profit for the financial year	-	1,252,269	1,252,269
Total comprehensive income for the year	-	1,252,269	1,252,269
Balance as at 31 December 2016	**338,101**	**2,503,702**	**2,841,803**

1 General Information

Diversified Business Communications UK Limited ('the company') organises trade shows, conferences and publishing trade magazines in the UK and Europe via its offices at Brighton, Nailsworth and Peterborough.

The company is a private company limited by shares and is incorporated and domiciled in England. The address of its registered office is Nile House, 1st Floor, Nile Street, Brighton, BN1 1HW.

2 Statement of compliance

The individual financial statements of the company have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

3 Summary of significant accounting policies

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

(a) Basis of Preparation

These financial statements are prepared on a going concern basis, under the historical cost convention, as modified by the recognition of certain financial assets and liabilities measured at fair value.

The preparation of financial statements, in conformity with FRS 102, requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

(b) Going concern

The company meets its day-to-day working capital requirements through its bank facilities and support from its parent company. The company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the company should be able to operate within the level of its current facilities. After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

(c) Exemptions for qualifying entities under FRS 102

The company has taken advantage of the exemption, under FRS 102 paragraph 1.12(b), from preparing a statement of cash flows, on the basis that it is a qualifying entity and its ultimate parent company, Diversified Communications, a company incorporated in the United States of America, includes the company's cash flows in its own consolidated financial statements.

(d) Consolidated financial statements

The company is a wholly owned subsidiary of Diversified Holding Co, a company incorporated in the United States of America. Therefore the company is exempt by virtue of section 401 of the Companies Act 2006 from the requirement to prepare consolidated financial statements.
These financial statements are the company's separate financial statements.

3 Summary of significant accounting policies (continued)

(e) Foreign currency

(i) Functional and presentation currency

The company's functional and presentation currency is the pound sterling.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the monthly average exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

(f) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents the amount receivable for services rendered, net of returns, discounts and rebates allowed by the company and value added taxes.

The turnover shown in the statement of comprehensive income represents the invoiced value of space sold and other revenue received in respect of exhibitions held during the year, including publishing and conferences, excluding value added tax. To the extent that costs are expected to be recoverable, direct costs arising in the year relating to future events are deferred as work in progress, and income is deferred as deferred income until those events have taken place.

(g) Employee benefits

The company provides a range of benefits to employees, including annual bonus arrangements, paid holiday arrangements and defined contribution pension plans.

(i) Short term benefits

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

3 Summary of significant accounting policies (continued)

(g) Employee benefits (continued)

(ii) Defined contribution pension plans

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations. The contributions are recognised as an expense when they are due. Amounts not paid are shown in accruals in the balance sheet. The assets of the plan are held separately from the company in independently administered funds.

(iii) Annual Bonus Plan

The company operates an annual bonus plan for employees. An expense is recognised in the statement of comprehensive income when the company has a legal or constructive obligation to make payments under the plan as a result of past events and a reliable estimate of the obligation can be made.

(h) Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current or deferred taxation assets and liabilities are not discounted.

(i) Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(ii) Deferred tax

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the reporting date except for certain exceptions. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

3 Summary of significant accounting policies (continued)

(i) Business Combinations and goodwill

Business combinations are accounted for by applying the purchase method.

The cost of a business combination is the fair value of the consideration given, liabilities incurred or assumed and of equity instruments issued plus the costs directly attributable to the business combination. Where control is achieved in stages the cost is the consideration at the date of each transaction.

Contingent consideration is initially recognised at estimated amount where the consideration is probable and can be measured reliably. Where (i) the contingent consideration is not considered probable or cannot be reliably measured but subsequently becomes probable and measureable or (ii) contingent consideration previously measured is adjusted, the amounts are recognised as an adjustment to the cost of the business combination.

On acquisition of a business, fair values are attributed to the identifiable assets, liabilities and contingent liabilities unless the fair value cannot be measured reliably, in which case the value is incorporated in goodwill. Where the fair value of contingent liabilities cannot be reliably measured they are disclosed on the same basis as other contingent liabilities.

Goodwill recognised represents the excess of the fair value and directly attributable costs of the purchase consideration over the fair values to the Group's interest in the identifiable net assets, liabilities and contingent liabilities acquired.

Goodwill is amortised over its expected useful life. Where the Company is unable to make a reliable estimate of useful life, goodwill is amortised over a period not exceeding ten years. Goodwill is assessed for impairment when there are indicators of impairment and any impairment is charged to the income statement. Reversals of impairment are recognised when the reasons for the impairment no longer apply.

(j) Intangible assets

Intangible assets (excluding Goodwill as detailed in note 3 (i)), attributable to the fair values of assets acquired are stated at cost less accumulated amortisation and accumulated impairment losses amortised over their estimated useful lives as follows:

- Trade names and other intangible assets – 5 years
- Non-compete agreements – 3 years

Where factors, such as technological advancement or changes in market place, indicate that the residual value or useful life have changed, the residual value, useful life or amortisation rate are amended prospectively to reflect the new circumstances.

The assets are reviewed for impairment if the above factors indicate that the carrying amount may be impaired.

3 Summary of significant accounting policies (continued)

(k) Tangible assets

Tangible assets are stated at cost less accumulated depreciation.

(i) Depreciation and residual values

Depreciation on assets is calculated, using the straight-line method, to allocate the cost to their residual values over their estimated useful lives, as follows:

- Leasehold improvements – over the period of the lease
- Office equipment – 3 to 10 years

The assets' residual values and useful lives are reviewed, and adjusted, if appropriate, at the end of each reporting period. The effect of any change is accounted for prospectively.

(l) Leased assets

At inception the company assesses agreements that transfer the right to use assets. The assessment considers whether the arrangement is, or contains, a lease based on the substance of the arrangement.

(i) Operating leased assets

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Payments under operating leases are charged to the statement of comprehensive income on a straight-line basis over the period of the lease.

(m) Stocks

Work in progress is the costs incurred in relation to events that have not taken place at the balance sheet date, net of provision for foreseeable losses on these events. Costs include materials, direct labour and any other direct costs.

Stocks are recognised as an expense in the period in which the related revenue is recognised.

(n) Cash at bank and in hand

Cash at bank and in hand includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

(o) Provisions and contingencies

(i) Provisions

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount of the obligation can be estimated reliably.

3 Summary of significant accounting policies (continued)

(o) Provisions and contingencies (continued)

(ii) Contingencies

Contingent liabilities are not recognised. Contingent liabilities arise as a result of past events when (i) it is not probable that there will be an outflow of resources or that the amount cannot be reliably measured at the reporting date or (ii) when the existence will be confirmed by the occurrence or non-occurrence of uncertain future events not wholly within the company's control. Contingent liabilities, if any, are disclosed in the financial statements unless the probability of an outflow of resources is remote.

Contingent assets are not recognised. Contingent assets, if any, are disclosed in the financial statements when an inflow of economic benefits is probable.

(p) Financial instruments

The company has chosen to adopt the Sections 11 and 12 of FRS 102 in respect of financial instruments.

(i) Financial assets

Basic financial assets, including trade and other receivables, cash and bank balances and investments in commercial paper, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

(ii) Financial liabilities

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

(q) Share capital

Ordinary shares are classified as equity.

(r) Related party transactions

As a wholly owned subsidiary, the company is exempt under the terms of section 33.1A of FRS 102 'Related Party Disclosures', from disclosing related party transactions with entities that are wholly owned within the Diversified Holding Co group.

4 Critical accounting judgements and estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Critical judgements in applying the entity's accounting policies

Identifiable intangible assets are based on values agreed at the time of acquisition derived from the allocation of the acquisition price under the asset sale agreement.

(b) Critical accounting estimates and assumptions

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(i) Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 11 for the carrying amount of the tangible assets, and note 3(k) for the useful economic lives for each class of assets.

(ii) Impairment of debtors

The company makes an estimate of the recoverable value of trade and other debtors.
When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience. See note 13 for the net carrying amount of the debtors and associated impairment provision.

(iii) Goodwill

Goodwill, as disclosed under note 3 (i) is amortised over its expected useful life. Where the Company is unable to make a reliable estimate of useful life, goodwill is amortised over a period not exceeding ten years.

(vi) Intangible assets

Identifiable intangible assets, as disclosed under note 3 (j) are shown separately from goodwill and amortised over their expected useful life over periods between 3 and 5 years.

5 Turnover

Analysis of turnover by category & geography	**2016**	**2015**
	£	**£**
Sales of services	13,238,666	11,358,010
United Kingdom	10,398,961	8,248,229
Outside of the United Kingdom	2,839,705	3,109,781
	13,238,666	11,358,010

6 Operating profit

	2016	2015
	£	£
Operating profit is stated after charging/(crediting):		
Amortisation of intangible assets	1,048,584	953,771
Depreciation of tangible fixed assets	105,423	70,906
Gain on disposal of tangible assets	(417)	-
Gain on disposal of intangible assets	(61,081)	-
Operating lease rentals	207,807	173,902
Fees payable to the Company's auditors for the audit of the financial statements	25,000	20,000
Fees payable to the Company's auditors for other services:		
• Tax compliance services	5,750	5,000
• Other services	3,500	3,500

7 Employees and directors

Employees

The average monthly number of persons employed by the company during the year was:

	2016	2015
By Activity:	No.	No.
Sales and marketing	47	45
Production and operations	35	30
Administration	14	14
	96	89

	2016	2015
Employment costs	£	£
Wages and salaries	3,547,803	3,143,327
Social security costs	354,925	316,658
Other pension costs	129,475	123,909
	4,032,203	3,583,894

Directors

The directors' emoluments were as follows:

	2016	2015
	£	£
Aggregate emoluments (highest paid director £184,388 (2015: 160,679))	200,439	160,679
Aggregate amounts receivable under long-term incentive schemes (and highest paid director)	60,672	45,291
	261,111	205,970

Two directors (2015: one) are members of a defined contribution scheme.

One director (2015: one) is accruing benefits under a long-term incentive scheme

Two of the Company's Directors are directors of a number of fellow group companies and their remuneration was paid by another Group company, which made no recharge to the Company; it is not possible to make an accurate apportionment of their emoluments in respect of each of the subsidiaries.

8 Interest receivable and similar income

	2016	2015
	£	£
Bank interest received	1,101	1,110

9 Tax on profit on ordinary activities

(a) Tax expense included in profit or loss

	2016	2015
	£	£
Current tax:		
U.K. corporation tax on profits for the year	533,863	317,799
Adjustment in respect of prior years	(420)	-
Total current tax	533,443	317,799
Deferred tax:		
Origination and reversal of timing differences	9,057	13,712
Impact of change in tax rate	(1,701)	(1,879)
Total deferred tax	7,356	11,833
Total tax on profit on ordinary activities	540,799	329,632

(b) Reconciliation of tax charge

Factors affecting the tax charge for the year

The tax assessed for the year is higher (2015: higher) than the standard rate of corporation tax in the UK for the year ended 31 December 2016 of 20.00% (2015:20.25%). The differences are explained below:

	2016	2015
	£	£
Profit on ordinary activities before taxation	1,793,068	661,922
Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 20.00% (2015 – 20.25%)	358,614	134,039
Effects of:		
Expenses not deductible for tax purposes	184,306	197,472
Adjustment in respect of prior years	(420)	-
Re-measurement of deferred tax – change in UK tax rate	(1,701)	(1,879)
	540,799	329,632

9 Tax on ordinary activities - continued

The standard rate of corporation tax in the UK throughout the year was 20% and therefore the Company's profits for this financial year are taxed at an effective rate of 20%.

During the previous year the Finance (No. 2) Act (substantively enacted on 26 October 2015) included provisions reducing the main rate of UK corporation tax to 19% from 1 April 2017 and 18% from 1 April 2020. Accordingly, the relevant deferred tax balances at 31 December 2015 were re-measured using future UK Corporation tax rate of 18%.

During the current year the 2016 Finance Act (substantively enacted on 15 September 2016) included provisions reducing the main rate of UK corporation tax to 17% from 1 April 2020, instead of the previously enacted rate of 18% effective from that date. Accordingly, the relevant deferred tax balances at 31 December 2016 have been re-measured using the future UK Corporation tax rate of 17%.

10 Intangible assets

	Trade names	Goodwill	Total
	£	£	£
Cost			
At 1 January 2016	2,922,885	6,302,723	9,225,608
Additions	-	-	-
Disposals	(183,000)	(40,922)	(223,922)
At 31 December 2016	2,739,885	6,261,801	9,001,686
Accumulated amortisation			
At 1 January 2016	1,631,232	1,294,339	2,925,571
Charge for the year	464,913	583,671	1,048,584
Disposals	(183,000)	(40,922)	(223,922)
At 31 December 2016	1,913,145	1,837,088	3,750,233
Net book value			
At 31 December 2016	826,740	4,424,713	5,251,453
At 31 December 2015	1,291,653	5,008,384	6,300,037

The company owns 100% of the share capital of the following companies, all of which are dormant at the balance sheet date with registered offices at 3rd floor, One London Square, Guilford, GU1 1UN:

Expo Management Limited (held directly) – (member's voluntary liquidation started on 17 December 2015)
Barford Events Limited (held indirectly) – (member's voluntary liquidation started on 17 December 2015)
Expo Coach Limited (held indirectly) – (member's voluntary liquidation started on 17 December 2015)
Expo Publishing Limited (held indirectly) – (struck off 12 April 2016)
Prysm Professional Ltd (held directly) – (member's voluntary liquidation started on 1 December 2016)

11 Tangible assets

	Leasehold improvements	Office equipment	Total
	£	£	£
Cost			
At 1 January 2016	128,777	539,317	668,094
Additions	-	162,234	162,234
At 31 December 2016	128,777	701,551	830,328
Accumulated depreciation			
At 1 January 2016	15,024	398,189	413,213
Charge for the year	12,878	92,545	105,423
At 31 December 2016	27,902	490,734	518,636
Net book value			
At 31 December 2016	100,875	210,817	311,692
At 31 December 2015	113,753	141,128	254,881

12 Stocks

	2016	2015
	£	£
Work in progress	349,795	343,867

13 Debtors

	2016	2015
	£	£
Trade debtors	2,887,741	2,977,562
Other debtors	1,221,724	907,155
	4,109,465	3,884,717

14	**Creditors: amounts falling due within one year**	**2016**	**2015**
		£	**£**
	Trade creditors	415,453	446,802
	Amounts owed to group undertakings	-	2,355,020
	Corporation tax	312,926	291,940
	Other taxation and social security	419,800	330,602
	Other creditors	149,305	982,717
	Accruals and deferred income	6,607,757	5,644,569
		7,905,241	10,051,650

A fixed and floating charge over all the assets of the company is registered in favour of HSBC Bank plc securing debts owed by the company. The amount outstanding at 31 December 2016 was £nil (2015: £nil).

Included within other creditors is £126,000 (2015: £100,000) of contingent consideration payable on the acquisition of Expo Management Limited during 2014 and £nil (2015: £835,943) of contingent consideration payable on the acquisition of Prysm Professional Limited during the previous year.

At 31 December 2016 the company had outstanding pension contributions totalling £553(2015: £25) included within other creditors.

Amounts owed to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

15	**Creditors: amounts falling due after more than one year**	**2016**	**2015**
		£	**£**
	Other creditors	-	126,000

Included within other creditors is £nil (2015: £126,000) of contingent consideration payable on the acquisition of Expo Management Limited arising during 2014.

16 Provisions for liabilities

	Deferred tax liability
	£
Balance at 1 January 2016	30,624
Statement of comprehensive income	7,356
Balance at 31 December 2016	37,980

The deferred tax liability is made up as follows:

	2016	2015
	£	£
Accelerated capital allowances	40,419	34,030
Other timing differences	(2,439)	(3,406)
	37,980	30,624

17 Post-employment benefits

Defined contribution scheme

During the year the company operated a defined contribution pension scheme for its employees and the following contributions were payable by the company:

	2016	2015
	£	£
Contributions payable by the company for the year	129,475	123,909

18 Called up share capital

	2016	2015
	£	£
Allotted, called up and fully paid		
338,101 (2015: 338,101) Ordinary shares of £1 each	338,101	338,101

19 Commitments under operating leases

The company was committed to making the following minimum lease payments under non-cancellable operating leases for each of the following periods:

	Land and Buildings		Other	
	2016	2015	2016	2015
	£	£	£	£
Payments due:				
Not later than one year	164,538	164,034	37,116	25,380
Later than one year and not later than five years	353,181	481,683	39,306	13,828
Later than five years	110,726	142,362	-	-
	628,445	788,079	76,422	39,208

20 Controlling parties

The immediate parent undertaking is Diversified Communications, a company incorporated in the United States of America. The ultimate parent company, and largest company producing group financial statements which include the company is Diversified Holding Co, a company incorporated in the United States of America. Copies of the financial statements can be obtained from 121 Free Street, Portland, ME 04101, USA.

21 Related party relationships and transactions

The company is exempt from disclosing related party transactions as they are with other companies that are wholly owned within the group.