

Registration number: 07889243

Executives' Global Network UK Limited (previously known as Executives Global Network UK Limited)

Annual Report and Financial Statements

For the year ended 31 December 2014

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Executives' Global Network UK Limited (previously known as Executives Global Network UK Limited)

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Executives' Global Network UK Limited (previously known as Executives Global Network UK Limited)

Company Information

Directors	J Galsgaard J Jensen M Jørgensen J Persson
Registered office	Enterprise House Ocean Way Southampton SO14 3XB
Auditor	Moore Stephens LLP Statutory Auditor 150 Aldersgate Street London EC1A 4AB

Executives' Global Network UK Limited (previously known as Executives Global Network UK Limited)

Directors' Report for the year ended 31 December 2014

The directors present their report and the financial statements of the company for the year ended 31 December 2014.

Principal activity

The principal activity of the company is the provision of services to a global network of executives.

Registered address

The address of the company's registered office and its principal place of business is Enterprise House, Ocean Way, Southampton, SO14 3XB.

Directors of the company

The directors who held office during the year were as follows:

J Galsgaard

J Jensen

M Jørgensen

J Persson

J Hartshorn - Director (appointed 8 September 2014 and resigned 8 September 2014)

Business development

The financial year 2014 ended at a fair level due to changes in the organisation. EGN UK is operating 7 networking groups for executives from various industries. The benefits of networking as defined by the EGN concept is still considered to be new in the UK, so progress remains at a pace in line with projected targets, but we continue to try and improve this awareness as part of our day to day activities.

Continued investment in the UK has helped with this improvement, and the organisation's commitment to continuing this trend is absolute. Members' retention will continue to be a focus, particularly now that we have members entering their second full year with EGN. Growth for 2015 is expected to be offset somewhat by new processes and procedures which will make the organisation more efficient and ensure it moves towards a more profitable status.

Disclosure of information to the auditor

To the knowledge and belief of the directors, there is no relevant information that the company's auditors are not aware of, and the directors have taken all the steps necessary to ensure the directors are aware of any relevant information, and to establish that the company's auditors are aware of the information.

Small companies provision statement

This report has been prepared in accordance with the small companies regime under the Companies Act 2006.

Approved by the Board on 10/3-16 and signed on its behalf by:


J Galsgaard
Director

Executives' Global Network UK Limited (previously known as Executives Global Network UK Limited)

Directors' Responsibilities Statement

The directors are responsible for preparing 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 International Financial Reporting Standards (IFRSs) as adopted by the European Union. 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 apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable International Financial Reporting Standards (IFRSs) as adopted by the European Union 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 Executives' Global Network UK Limited (previously known as Executives Global Network UK Limited)

We have audited the financial statements of Executives' Global Network UK Limited (previously known as Executives Global Network UK Limited) for the year ended 31 December 2014, which is set out on pages 6 to 19. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

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.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Basis for adverse opinion on financial statements

(i) Revenue recognition

Included in revenue recorded in the statement of comprehensive income for the year ended 31 December 2014 is an amount of £76,563 (2013: £33,260) which relates to members' subscriptions covering the year ending 31 December 2015. In our opinion, the company's revenue recognition policy is not in accordance with IAS18 ("Revenue") as members' subscriptions covering the year ending 31 December 2015 should have been deferred as at 31 December 2014. Consequently, revenue should be decreased by £38,420 (2013: £22,760), deferred income should be increased by £38,420 (2013: £35,360), trade receivables should be increased by £nil (2013: £12,600) and the loss for the year ended 31 December 2014 should be increased by £38,420 (2013: £22,760).

In addition, there are a number of other matters noted:

- value added tax payable amounting to £14,254 recorded in the statement of financial position as at 31 December 2014;
- members' subscriptions amounting to £26,380 recorded in the statement of comprehensive income for the year ended 31 December 2014; and
- administrative expenses recorded in the statement of comprehensive income for the year ended 31 December 2014 amounting to £19,438.

We were unable to obtain sufficient appropriate audit evidence about these three matters and we have been unable to determine whether any adjustments to these balances are necessary.

Adverse Opinion on financial statements

In our opinion, because of the significance of the matters described in the Adverse Opinion paragraph, the financial statements:

- do not give a true and fair view of the state of the company's affairs as at 31 December 2014 and of its loss for the year then ended; and
- have not been properly prepared in accordance with IFRSs as adopted by the European Union.

In all other respects, in our opinion the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Independent Auditor's Report to the members of Executives' Global Network UK Limited (previously known as Executives Global Network UK Limited) (continued)

Opinion on other matter prescribed by the Companies Act 2006

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

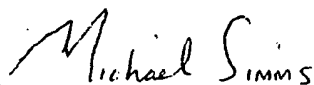
Emphasis of matter - Going concern

In forming our opinion on the financial statements, which is modified, we have considered the adequacy of the disclosures made in note 3 to the financial statements concerning the company's ability to continue as a going concern. The company incurred a net loss of £253,522 during the year ended 31 December 2014 and, at that date, the company's current liabilities exceeded its total assets by £103,218 and it had net current liabilities of £103,218. These conditions, along with the other matters explained in note 3 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include adjustments that would result if the company was unable to continue as a going concern.

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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies exemption from the requirement to prepare a Strategic Report.



Michael Simms, *Senior Statutory Auditor*
For and on behalf of Moore Stephens LLP, Statutory Auditor
150 Aldersgate Street
London
EC1A 4AB

Date:¹¹ March 2016

Executives' Global Network UK Limited (previously known as Executives Global Network UK Limited)

Income Statement for the year ended 31 December 2014

	Note	2014 £	2013 £
Revenue	4	166,233	56,000
Cost of sales		<u>(8,925)</u>	<u>(43,055)</u>
Gross profit		157,308	12,945
Administrative expenses		<u>(387,645)</u>	<u>(258,435)</u>
Operating loss	5	(230,337)	(245,490)
Finance costs		<u>(23,185)</u>	<u>(11,262)</u>
Loss before tax		(253,522)	(256,752)
Taxation	7	<u>-</u>	<u>-</u>
Loss for the year		<u><u>(253,522)</u></u>	<u><u>(256,752)</u></u>

The above results were derived from continuing operations.

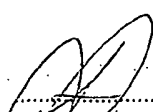
There are no items of comprehensive income other than the loss for the period and, therefore, no statement of other comprehensive income is presented.

Executives' Global Network UK Limited (previously known as Executives Global Network UK Limited)

Statement of Financial Position as at 31 December 2014

	Note	2014 £	2013 £
Assets			
Non-current assets			
Property, plant and equipment	8	-	3,163
Current assets			
Trade and other receivables	9	32,428	20,387
Cash and cash equivalents		541	4,251
		<u>32,969</u>	<u>24,638</u>
Total assets		<u>32,969</u>	<u>27,801</u>
Current liabilities			
Trade and other payables	10	<u>(136,187)</u>	<u>(457,910)</u>
Net current liabilities		<u>(103,218)</u>	<u>(433,272)</u>
Net liabilities		<u>(103,218)</u>	<u>(430,109)</u>
Equity			
Called-up share capital	11	580,513	100
Accumulated losses		<u>(683,731)</u>	<u>(430,209)</u>
Total equity		<u>(103,218)</u>	<u>(430,109)</u>

The financial statements of Executives' Global Network UK Limited (previously known as Executives Global Network UK Limited) (registration number: 07889243) were approved by the Board on 6/3/16 and signed on its behalf by:


 J. Galsgaard
 Director

Executives' Global Network UK Limited (previously known as Executives Global Network UK Limited)

Statement of Changes in Equity for the year ended 31 December 2014

	Called-up share capital £	Accumulated losses £	Total £
At 1 January 2013	133	(173,457)	(173,324)
Loss for the year	-	(256,752)	(256,752)
Total comprehensive income	-	(256,752)	(256,752)
Decrease in share capital	(33)	-	(33)
At 31 December 2013	100	(430,209)	(430,109)

	Called-up share capital £	Accumulated losses £	Total £
At 1 January 2014	100	(430,209)	(430,109)
Loss for the year	-	(253,522)	(253,522)
Total comprehensive income	-	(253,522)	(253,522)
New share capital subscribed (note 11)	580,413	-	580,413
At 31 December 2014	580,513	(683,731)	(103,218)

The notes on pages 10 to 19 form an integral part of these financial statements.

Executives' Global Network UK Limited (previously known as Executives Global Network UK Limited)

Statement of Cash Flows for the year ended 31 December 2014

	Note	2014 £	2013 £
Cash flows from operating activities			
Loss for the year		(253,522)	(256,752)
Adjustments to cash flows from non-cash items:			
Depreciation	5	2,530	2,153
Loss on disposal of property, plant and equipment		150	-
		<u>(250,842)</u>	<u>(254,599)</u>
Working capital adjustments:			
Increase in trade and other receivables	9	(12,041)	(7,450)
Increase in trade and other payables	10	258,690	259,738
Net cash flows from operating activities		<u>(4,193)</u>	<u>(2,311)</u>
Cash flows from investing activities			
Acquisitions of property, plant and equipment		-	(3,012)
Proceeds from sale of property, plant and equipment		483	-
Net cash flows from investing activities		<u>483</u>	<u>(3,012)</u>
Net decrease in cash and cash equivalents		(3,710)	(5,323)
Cash and cash equivalents at 1 January		4,251	9,574
Cash and cash equivalents at 31 December		<u>541</u>	<u>4,251</u>

The notes on pages 10 to 19 form an integral part of these financial statements.

Executives' Global Network UK Limited (previously known as Executives Global Network UK Limited)

Notes to the Financial Statements for the year ended 31 December 2014

1 General information

The company is a limited liability company, incorporated on 21 December 2012 under the laws of the United Kingdom.

The address of its registered office is:

Enterprise House
Ocean Way
Southampton
SO14 3XB

2 Adoption of new and revised Standards

New standards, interpretations and amendments effective

The following have been applied for the first time from 31 December 2013 and have had no effect on the financial statements:

IFRIC Interpretation 21 'Levies' (IFRIC 21) (Issued on 20 May 2013)

Mandatory for year commencing on or after 1 January 2014.

Amendments to IAS 39 'Novation of Derivatives and Continuation of Hedge Accounting'

Mandatory for year commencing on or after 1 January 2014.

Amendments to IFRS 10, IFRS 12, IAS 27: 'Investment Entities'

Mandatory for year commencing on or after 1 January 2014.

Amendments to IFRS 10, IFRS 11, IFRS 12: Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities - Transition Guidance

Mandatory for year commencing on or after 1 January 2014.

New standards, interpretations and amendments not yet effective

At the date of authorisation of these financial statements, the following Standards and Interpretations which have not been applied in these financial statements were in issue but not yet effective (and in some cases had not yet been adopted by the EU):

Amendments to IAS 19: Defined Benefit Pension Employee Contribution (Issued on 21 November 2013)

Annual Improvements to IFRSs 2010-2012 Cycle (Issued on 12 December 2013)

Annual Improvements to IFRSs 2011-2013 Cycle (Issued on 12 December 2013)

IFRS 9 'Financial Instruments'

IFRS 15 Revenue from Contracts with Customers.

Executives' Global Network UK Limited (previously known as Executives Global Network UK Limited)

Notes to the Financial Statements for the year ended 31 December 2014 (continued)

3 Accounting policies

Statement of compliance

The company financial statements have been prepared in accordance with International Financial Reporting Standards and its interpretations adopted by the EU ("adopted IFRS's").

Summary of significant accounting policies and key accounting estimates

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.

Basis of preparation

The financial statements have been prepared in accordance with adopted IFRSs and under historical cost accounting rules.

The preparation of financial statements in conformity with IFRS 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.

Going concern

These accounts have been prepared on the going concern basis after assurances were given from the parent company that ongoing financial support will be forthcoming to enable the company to meet its financial obligations as they fall due.

Revenue recognition

Revenue for services is recognised in the period in which they are rendered.

Foreign currency transactions and balances

The functional and presentation currency is the British Pound. Transactions in foreign currencies are translated to the functional currency of the company. Monetary items denominated in foreign currencies are retranslated at the exchange rates applying at the reporting date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in the profit or loss in the period in which they arise.

Tax

Income tax for the period is based on the taxable income for the period. Taxable income differs from profit as reported in the statement of comprehensive income for the period as there are some items which may never be taxable or deductible for tax and other items which may be deductible or taxable in other periods. Income tax for the period is calculated using the current ruling tax rate.

Executives' Global Network UK Limited (previously known as Executives Global Network UK Limited)

Notes to the Financial Statements for the year ended 31 December 2014 (continued)

3 Accounting policies (continued)

Deferred tax is the future tax consequences of temporary differences between the carrying amounts and tax bases of assets and liabilities shown on the statement of financial position. Deferred tax assets and liabilities are not recognised if they arise in the following situations the initial recognition of goodwill, or the initial recognition of assets and liabilities that affect neither accounting nor taxable profit. The amount of deferred tax provided is based on the expected manner of recovery or settlement of the carrying assets and liabilities, using tax rates enacted or substantially enacted at the statement of financial position date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. The carrying amount of the deferred tax assets are reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

Property, plant and equipment

Items of property, plant and equipment are initially recognised at cost. As well as the purchase price, cost includes directly attributable costs and the estimated present value of any future unavoidable costs of dismantling and removing items. The corresponding liability is recognised within provisions.

Depreciation

Depreciation is provided on all items of property, plant and equipment so as to write off cost less residual values over their expected useful economic lives. It is provided at the following rates:

Asset class	Depreciation method and rate
Computer equipment	33% per annum straight line

Cash and cash equivalents

Cash equivalents comprise short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value. An investment with a maturity of three months or less is usually classified as being short-term.

Trade receivables

Trade receivables are stated at their original invoices value, as the interest that would be recognised from discounting future cash receipts over the short credit period is not considered to be material. Trade receivables are reduced by appropriate allowances for estimated irrecoverable amounts. Interest on overdue trade receivables is recognised as it accrues.

Trade payables

Trade payables are stated at their original invoiced value, as the interest that would be recognised from discounting future cash payments over the short payment period is not considered to be material.

Leases

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except if another systematic basis is more representative of the time pattern in which economic benefits will flow to the company.

Contingent rentals arising under operating leases are recognised in the period in which they are incurred. Lease incentives and similar arrangements of incentives are taken into account when calculating the straight-lined expense.

Executives' Global Network UK Limited (previously known as Executives Global Network UK Limited)

Notes to the Financial Statements for the year ended 31 December 2014 (continued)

3 Accounting policies (continued)

Financial assets and liabilities

Classification

The company classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement. Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument.

Recognition and measurement

Financial instruments are recognised initially at fair value plus transactions costs that are directly attributable to the acquisition or issue of the financial instrument, except for financial assets at fair value through profit or loss, which are initially measured at fair value, excluding transaction costs.

Impairment

Financial instruments are derecognised on trade date when the group is no longer a party to the contractual provisions of the instrument.

4 Revenue

The analysis of the company's revenue for the year from continuing operations is as follows:

	2014 £	2013 £
Membership fees	<u>166,233</u>	<u>56,000</u>

5 Operating loss

Arrived at after charging/(crediting)

	2014 £	2013 £
Depreciation expense	2,530	2,153
(Profit)/loss on disposal of property, plant and equipment	150	-
Audit of the financial statements	-	8,000
Taxation compliance services	<u>-</u>	<u>1,550</u>

6 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2014 £	2013 £
Wages and salaries	223,832	146,489
Social security costs	22,147	15,728
Other employee expense	<u>23,193</u>	<u>-</u>
	<u>269,172</u>	<u>162,217</u>

Executives' Global Network UK Limited (previously known as Executives Global Network UK Limited)

Notes to the Financial Statements for the year ended 31 December 2014 (continued)

6 Staff costs (continued)

Key management personnel compensation:

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the company, including the directors of the company and the financial controller of the company.

	2014 £	2013 £
Remuneration	<u>-</u>	<u>21,008</u>

7 Income tax

	2014 £	2013 £
Current tax:		
Total tax per income statement	<u>-</u>	<u>-</u>

The tax on loss before tax for the year is higher than the standard rate of corporation tax in the UK (2013: higher than the standard rate of corporation tax in the UK) of 21.5% (2013: 23.25%).

The differences are reconciled below:

	2014 £	2013 £
Loss before tax	<u>(253,522)</u>	<u>(256,752)</u>
Corporation tax at standard rate of 21.5% (2013: 23.25%)	(54,507)	(59,695)
Permanent difference	1,285	-
Change in unrecognised deferred tax assets	<u>53,222</u>	<u>59,695</u>
Total tax charge for the year	<u>-</u>	<u>-</u>

A deferred tax asset has not been recognised in respect of tax losses and short term temporary differences as the Company is loss making. The amount of asset not recognised is £138,949 (2013: £85,627). The asset would be recovered if sufficient taxable profits were made in future periods against which this asset could be offset.

Executives' Global Network UK Limited (previously known as Executives Global Network UK Limited)

Notes to the Financial Statements for the year ended 31 December 2014 (continued)

8 Property, plant and equipment

	Property, plant and equipment £
Cost or valuation	
At 1 January 2014	6,467
Disposals	<u>(6,467)</u>
At 31 December 2014	<u>-</u>
Depreciation	
At 1 January 2014	3,304
Charge for the year	2,530
Eliminated on disposal	<u>(5,834)</u>
At 31 December 2014	<u>-</u>
Carrying amount	
At 31 December 2014	<u><u>-</u></u>
At 31 December 2013	<u><u>3,163</u></u>

9 Trade and other receivables

	2014 £	2013 £
Trade receivables	46,200	-
Provisions for bad debts (see below)	(13,772)	-
Prepayments	-	4,097
Other receivables	-	16,290
	<u>-</u>	<u>-</u>
Total current trade and other receivables	<u><u>32,428</u></u>	<u><u>20,387</u></u>

The fair value of the trade and other receivables classified as financial instruments are disclosed in Risk and financial instruments - note 14.

The company's exposure to market and liquidity risks, including maturity analysis, related to trade and other receivables is disclosed in Risk and financial instruments - note 14.

Executives' Global Network UK Limited (previously known as Executives Global Network UK Limited)

Notes to the Financial Statements for the year ended 31 December 2014 (continued)

9 Trade and other receivables (continued)

Provisions for bad debts

	2014 £	2013 £
Opening balance	-	-
Provisions for bad debt	13,772	-
Closing balance	<u>13,772</u>	<u>-</u>

10 Trade and other payables

	2014 £	2013 £
Trade payables	2,273	14,200
Accrued expenses	6,206	15,843
Payable to parent company	99,919	426,059
Deferred income and other payables	<u>27,789</u>	<u>1,808</u>
	<u>136,187</u>	<u>457,910</u>

The fair value of the trade and other payables classified as financial instruments are disclosed in Risk and financial instruments - note 14.

The company's exposure to market and liquidity risks, including maturity analysis, related to trade and other payables is disclosed in Risk and financial instruments - note 14.

The amount due to the parent company is unsecured, bearing interest of 4% per annum and repayable on demand. Total interest accrued in the year on the loan from the parent company was £22,515 (2013: £10,668).

The parent of Executives' Global Network UK Limited has converted an intercompany loan of £580,413 into equity during the year.

11 Called-up share capital

Authorised, allotted, called-up and fully paid shares

	No.	2014 £	No.	2013 £
Ordinary shares of £1 each	<u>580,513</u>	<u>580,513</u>	<u>100</u>	<u>100</u>

As disclosed in note 10, during the year the parent of Executives' Global Network UK Limited has converted an intercompany loan of £580,413 into equity during the year.

Executives' Global Network UK Limited (previously known as Executives Global Network UK Limited)

Notes to the Financial Statements for the year ended 31 December 2014 (continued)

12 Obligations under leases and hire purchase contracts

Operating leases

As at 31 December 2014, the company had commitments in respect of the office rental contract.

	2014	2013
	£	£
Within one year	8,050	6,500

The amount of non-cancellable operating lease payments recognised as an expense during the year was £Nil (2013 - £Nil).

13 Parent and ultimate parent undertaking

The company's immediate parent company is Netvaerk Danmark A/S, a company incorporated in Denmark. The ultimate parent company is Netvaerk Danmark Holding A/S, a company incorporated in Denmark.

14 Risk and financial instruments

The company's key financial risks arising from its operating activities and its financial instruments are:

- Credit risk,
- Liquidity risk, and
- Market risk (including interest rate risk and currency risk).

The key management of the company have overall responsibility for the establishment and oversight of the risk management framework.

Categories of financial instruments

	2014	2013
	£	£
<u>Financial assets</u>		
Trade and other receivables	32,428	20,387
Cash and short-term deposits	541	4,251
	<u>32,969</u>	<u>24,638</u>
<u>Financial liabilities</u>		
<u>At amortised cost</u>		
Trade and other payables	<u>136,187</u>	<u>457,910</u>

The fair value of the financial assets and liabilities approximate to their carrying value at the reporting date.

The fair value of financial assets and liabilities have been determined by management, based upon the present value of the expected cash flows deriving from the asset or liability, discounted at an appropriate discount rate.

Executives' Global Network UK Limited (previously known as Executives Global Network UK Limited)

Notes to the Financial Statements for the year ended 31 December 2014 (continued)

14 Risk and financial instruments (continued)

Credit risk

Credit risk is the risk that receivables will not be able to meet their obligations to the company when they fall due.

The company's maximum exposure to credit risk in relation to each class of recognised financial asset is the carrying amount of those assets as stated in the balance sheet and was as follows

	2014 £	2013 £
Trade and other receivables	32,428	20,387
Cash and short-term deposits	541	4,251
	<u>32,969</u>	<u>24,638</u>

Other financial assets of the company with exposure to credit risk include cash, prepayments and other receivables. Bank balances are placed as far as possible with reputable banks. Prepayments and other receivables represent the rental prepayments and social security taxes. As such, management does not expect any counterparty to fail to meet their commitments.

Liquidity risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The company has managed the liquidity risk as the parent company has given assurances of financial support to meet its obligations and a large proportion of trade and other payables at the financial reporting date relates to amounts due to the parent company.

The following table represents the maturity of financial liabilities:

	Carrying amount £	Contractual amount £	Less than one year £
31 December 2014			
Trade and other payables	<u>(136,187)</u>	<u>(136,187)</u>	<u>(136,187)</u>
	Carrying amount £	Contractual amount £	Less than one year £
31 December 2013			
Trade and other payables	<u>(457,910)</u>	<u>(457,910)</u>	<u>(457,910)</u>

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the company's income or value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency risk

The company has no significant assets or liabilities denominated in currencies other than Sterling and was therefore not exposed to material currency risk at the balance sheet date.

Executives' Global Network UK Limited (previously known as Executives Global Network UK Limited)

Notes to the Financial Statements for the year ended 31 December 2014 (continued)

14 Risk and financial instruments (continued)

Interest rate risk

At the financial reporting date, the company had no financial assets or liabilities which would expose it to risks associated with the effect of fluctuations in the prevailing levels of market interest rate on its financial position and cashflows.

Capital management

The company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to stakeholders through optimisation of the debt and equity balance. The company reviews and monitors its capital structure on a regular basis to ensure its objectives are met but it is dependent on the ongoing support of the parent company.

The capital structure of the company consists of all components of equity aggregating to the deficit of £103,218 (2013 - £430,109).