

Registration number: 07889243

Executives' Global Network UK Limited

Annual report and financial statements

For the year ended 31 December 2015



Executives' Global Network UK Limited

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Executives' Global Network UK Limited

Company Information

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

Executives' Global Network UK Limited

Directors' report for the year ended 31 December 2015

The directors present their annual report and the audited financial statements of the company for the year ended 31 December 2015.

The directors took advantage of the small companies' exemption in not preparing a Strategic report. The directors have taken the exemptions provided to small companies and no enhanced business review is provided.

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 Village, Southampton, Hampshire, SO14 3XB.

Directors of the company

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

J Galsgaard

J Jensen

M Jørgensen (resigned 1 December 2015)

J Persson

Business development

Despite the investments made in UK, and the considerable improvement during the recent years, it has been decided to change the ownership structure of the operation. With effect from summer 2016 the current operation has consequently been transferred to a franchise structure, and the Company will thus as from summer 2016 cease to continue the current operation. The Company will as from the summer 2016 have no daily operation, and all employees have left the Company. It will at a later stage be evaluated whether new business activities should be started in the Company.

Auditor

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

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the director has taken all the steps that he/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 auditor is aware of that 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 ~~06/12/2016~~ and signed on its behalf by:



J Galsgaard
Director

Executives' Global Network UK Limited

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and applicable law. The financial statements must, in accordance with IFRS as adopted by the European Union, present fairly the financial position and performance of the company; such references in the UK Companies Act 2006 to such financial statements giving a true and fair view are references to them achieving a fair presentation. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view. 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 the financial statements have been prepared in accordance with IFRS as adopted by the European Union;
- 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

We have audited the financial statements of Executives' Global Network UK Limited for the year ended 31 December 2015, which is set out on pages 6 to 18. 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 income statement for the year ended 31 December 2015 is an amount of £66,142 (2014: £76,563) which relates to members' subscriptions covering the year ending 31 December 2016. 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 2016 should have been deferred as at 31 December 2015. Consequently, revenue should be increased by £32,377 (2014: decreased by £38,420), deferred income should be increased by £59,936 (2014: £38,420), and the profit for the year ended 31 December 2015 should be increased by £16,627 (2014: decreased by £38,420).

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 £26,830 recorded in the income statement for the year ended 31 December 2014; and
- administrative expenses recorded in the income statement 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 2015 and of its profit 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 (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 - Basis of preparation

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. The financial statements were prepared on a break-up basis as the operations of Executives' Global Network UK were transferred to another entity from summer 2016.

Matters on which we are required to report by exception

In respect solely of our work related to value added tax, members' subscriptions and administrative expenses described above:

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and
- we were unable to determine whether adequate accounting records have been kept.

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:

- 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
- 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: 15/12/2016

Executives' Global Network UK Limited

Income statement for the year ended 31 December 2015

	Note	2015 £	2014 £
Revenue	5	107,250	166,233
Cost of sales		<u>(6,051)</u>	<u>(8,925)</u>
Gross profit		101,199	157,308
Administrative expenses		<u>(334,984)</u>	<u>(387,645)</u>
Operating loss	6	(233,785)	(230,337)
Other income	7	306,723	-
Finance costs		<u>(4,101)</u>	<u>(23,185)</u>
Profit/(loss) before tax		68,837	(253,522)
Taxation	9	<u>-</u>	<u>-</u>
Profit/(loss) for the year		<u>68,837</u>	<u>(253,522)</u>

The above results were derived from continuing operations.

There are no items of comprehensive income other than the profit/(loss) for the year and, therefore, no statement of other comprehensive income is presented.

Executives' Global Network UK Limited

Statement of financial position as at 31 December 2015

	Note	2015 £	2014 £
Current assets			
Trade and other receivables	10	18,870	32,428
Cash and cash equivalents		<u>646</u>	<u>541</u>
		<u>19,516</u>	<u>32,969</u>
Current liabilities			
Trade and other payables	11	<u>(53,897)</u>	<u>(136,187)</u>
Net liabilities		<u>(34,381)</u>	<u>(103,218)</u>
Equity			
Called-up share capital	12	580,513	580,513
Accumulated losses		<u>(614,894)</u>	<u>(683,731)</u>
Total equity		<u>(34,381)</u>	<u>(103,218)</u>

The financial statements of Executives' Global Network UK Limited (registration number: 07889243) were approved by the Board of Directors and authorised for issue on 06/12/2016

They were signed on its behalf by:



J Galsgaard

Director

Executives' Global Network UK Limited

Statement of changes in equity for the year ended 31 December 2015

	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	580,413	-	580,413
At 31 December 2014	580,513	(683,731)	(103,218)

	Called-up share capital £	Accumulated losses £	Total £
At 1 January 2015	580,513	(683,731)	(103,218)
Profit for the year	-	68,837	68,837
Total comprehensive income	-	68,837	68,837
At 31 December 2015	580,513	(614,894)	(34,381)

The notes on pages 10 to 18 form an integral part of these financial statements.

Executives' Global Network UK Limited

Statement of cash flows for the year ended 31 December 2015

	Note	2015 £	2014 £
Cash flows from operating activities			
Profit/(loss) for the year		68,837	(253,522)
Adjustments to cash flows from non-cash items:			
Depreciation	6	-	2,530
Loss on disposal of property, plant and equipment	6	-	150
Income from write off of intercompany liability		(296,723)	-
		(227,886)	(250,842)
Working capital adjustments:			
Decrease/(increase) in trade and other receivables	10	13,558	(12,041)
Increase in trade and other payables	11	214,433	258,690
Net cash flows from operating activities		<u>105</u>	<u>(4,193)</u>
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		-	483
Net cash flows from investing activities		<u>-</u>	<u>483</u>
Net increase/(decrease) in cash and cash equivalents		<u>105</u>	<u>(3,710)</u>
Cash and cash equivalents at 1 January		<u>541</u>	<u>4,251</u>
Cash and cash equivalents at 31 December		<u>646</u>	<u>541</u>

The notes on pages 10 to 18 form an integral part of these financial statements.

Executives' Global Network UK Limited

Notes to the Financial Statements for the year ended 31 December 2015

1 General information

Executives' Global Network UK Limited is a private company limited by share capital incorporated and domiciled in England and Wales.

The address of its registered office is:

Enterprise House
Ocean Village
Southampton
Hampshire
SO14 3XB

The nature of the company's operations and its principal activities are set out in the Directors' report on page 2.

2 Adoption of new and revised Standards

New standards, interpretations and amendments effective

In the current year, the company has applied a number of amendments to IFRSs and a new Interpretation issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2015. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

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):

IFRS 10, IFRS 12 and IAS 28 (amendments) Investment Entities: Applying the Consolidation Exception

IAS 1 (amendments) Disclosure Initiative

IFRSs: 2012-2014 Cycle (annual improvements) Annual Improvements to IFRSs: 2012-2014 Cycle

IFRS 10 and IAS 28 (amendments) Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

IAS 16 and IAS 38 (amendments) Clarification of Acceptable Methods of Depreciation and Amortisation

IAS 27 (amendments) Equity Method in Separate Financial Statements

IFRS 9 Financial Instruments

IFRS 11 (amendments) Accounting for Acquisitions of Interests in Joint Operations

IFRS 14 Regulatory Deferral Accounts

IFRS 15 Revenue from Contracts with Customers

IFRS 16 Lease

IAS 7 (amendments) Disclosure Initiative

IAS 12 (amendments) Recognition of Deferred Tax Assets for Unrealised Losses

The directors do not expect that the adoption of the standards listed above will have a material impact on the financial information of the company in future periods with the exception of IFRS 15 and IFRS 16 which have to be fully evaluated. Beyond the information above, it is not practicable to provide a reasonable estimate of the effect of these standards until a detailed review has been completed.

Executives' Global Network UK Limited

Notes to the Financial Statements for the year ended 31 December 2015 (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").

Going concern

These accounts have not been prepared on the going concern basis since the company has ceased operations. It now has no daily operations and all employees have left the company.

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.

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.

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.

Executives' Global Network UK Limited

Notes to the Financial Statements for the year ended 31 December 2015 (continued)

3 Accounting policies (continued)

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.

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.

Executives' Global Network UK Limited

Notes to the Financial Statements for the year ended 31 December 2015 (continued)

4 Critical accounting judgements and potential uncertainties

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amount of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form a basis for making the judgments about carrying value of assets and liabilities that are not readily apparent from other sources.

The directors have reviewed the estimates and assumptions used in the preparation of the financial statements. The directors do not believe that there is a significant risk which would lead to material adjustments to the carrying value of any assets and liabilities in the next financial year due to the changes on the estimates or assumptions.

5 Revenue

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

	2015 £	2014 £
Membership fees	<u>107,250</u>	<u>166,233</u>

6 Operating loss

Arrived at after charging:	2015 £	2014 £
Depreciation expense	-	2,530
Loss on disposal of property, plant and equipment	-	150
Audit of the financial statements	33,190	-
Operating lease expense	<u>11,621</u>	<u>46,868</u>

7 Other income

	2015 £	2014 £
Interest receivable and similar income	<u>306,723</u>	<u>-</u>

£296,723 of the above amount is an intercompany loan written off by the parent company (note 14).

8 Staff costs

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

	2015 £	2014 £
Wages and salaries	130,644	223,832
Social security costs	14,732	22,147
Other employee expense	<u>309</u>	<u>23,193</u>
	<u>145,685</u>	<u>269,172</u>

(Executives' Global Network UK Limited

Notes to the Financial Statements for the year ended 31 December 2015 (continued)

8 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.

	2015 £	2014 £
Remuneration	-	-

The average number of persons employed by the company (including directors) during the year, analysed by category was as follows:

	2015 No.	2014 No.
Average number of staff	6	10

9 Income tax

	2015 £	2014 £
Current tax:		
Total tax per income statement	-	-

The tax on profit/(loss) before tax for the year is lower than the standard rate of corporation tax in the UK (2014: higher than the standard rate of corporation tax in the UK) of 20.25% (2014: 21.5%).

The differences are reconciled below:

	2015 £	2014 £
Profit/(loss) before tax	68,837	(253,522)
Corporation tax at standard rate of 20.25% (2014: 21.5%)	13,939	(54,507)
Permanent difference	(60,078)	1,285
Change in unrecognised deferred tax assets and other differences	46,139	53,222
Total tax charge for the year	-	-

A deferred tax asset has not been recognised in respect of tax losses and short term temporary differences as the company is making a taxable loss. The amount of asset not recognised is £170,574 (2014: £136,265). 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

Notes to the Financial Statements for the year ended 31 December 2015 (continued)

10 Trade and other receivables

	2015 £	2014 £
Trade receivables	62,520	46,200
Provisions for bad debts (see below)	(43,650)	(13,772)
Total current trade and other receivables	<u>18,870</u>	<u>32,428</u>

The fair value of the trade and other receivables classified as financial instruments are disclosed in Risk and financial instruments - note 15.

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 15.

Provisions for bad debts

	2015 £	2014 £
Opening balance	13,772	-
Provisions for bad debt	29,878	13,772
Closing balance	<u>43,650</u>	<u>13,772</u>

11 Trade and other payables

	2015 £	2014 £
Trade payables	29,146	2,273
Accrued expenses	6,206	6,206
Payable to parent company	92	99,919
Social security and other taxes	3,648	-
Deferred income and other payables	14,805	27,789
	<u>53,897</u>	<u>136,187</u>

The fair value of the trade and other payables classified as financial instruments are disclosed in Risk and financial instruments - note 15.

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 15.

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 £4,075 (2014: £22,515).

Executives' Global Network UK Limited

Notes to the Financial Statements for the year ended 31 December 2015 (continued)

12 Called-up share capital and other reserves

Authorised, allotted, called-up and fully paid shares

	No.	2015 £	No.	2014 £
Ordinary shares of £1 each	580,513	580,513	580,513	580,513

The company's other reserves are as follows:

Accumulated losses

The accumulated losses represents cumulative profits or losses, net of dividends paid and other adjustments.

13 Obligations under leases and hire purchase contracts

Operating leases

As at 31 December 2015, the company had commitments in respect of the office rental contract.

	2015 £	2014 £
Within one year	7,980	8,050

14 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.

15 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

Financial assets

	2015 £	2014 £
Trade and other receivables	18,870	32,428
Cash and short-term deposits	646	541
	<u>19,516</u>	<u>32,969</u>

Financial liabilities

Trade and other payables	<u>53,897</u>	<u>136,187</u>
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Executives' Global Network UK Limited

Notes to the Financial Statements for the year ended 31 December 2015 (continued)

15 Risk and financial instruments (continued)

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.

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:

	2015 £	2014 £
Trade and other receivables	18,870	32,428
Cash and short-term deposits	646	541
	<u>19,516</u>	<u>32,969</u>

Other financial assets of the company with exposure to credit risk include cash. Bank balances are placed as far as possible with reputable banks. 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.

The following table represents the maturity of financial liabilities:

	Carrying amount £	Contractual amount £	Less than one year £
31 December 2015			
Trade and other payables	<u>(53,897)</u>	<u>(53,897)</u>	<u>(53,897)</u>
	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>

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.

Executives' Global Network UK Limited

Notes to the Financial Statements for the year ended 31 December 2015 (continued)

15 Risk and financial instruments (continued)

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.

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 managed its capital by optimising its debt and equity balance. Now that it is not a going concern, capital management is now managed in a franchise structure setting. The capital structure of the company consists of all components of equity aggregating to the deficit of £34,381 (2014: £103,218).

16 Post balance sheet events

As of the summer of 2016, there has not been any activity due to operational changes. The ownership structure of the operation changed during this time, and all activities were transferred to a franchise structure.