

COMPANY REGISTRATION NUMBER: 01974125

Euromoney Canada Limited
Annual Report and Financial Statements
Year ended 30 September 2019



Euromoney Canada Limited
Annual Report and Financial Statements
Year ended 30 September 2019

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Euromoney Canada Limited

Company Information

The board of directors

TJ Bratton
SJ Cooke
AD Himsley

Registered office

8 Bouverie Street
London
EC4Y 8AX
United Kingdom

Independent Auditors

PricewaterhouseCoopers LLP
Chartered accountants & statutory auditors
1 Embankment Place
London
United Kingdom
WC2N 6RH

Euromoney Canada Limited

Strategic Report

Year ended 30 September 2019

The purpose of the Strategic Report is to inform members of Euromoney Canada Limited ("the Company") and help them assess how the Directors have performed their duty under section 172 of the Companies Act 2006 (duty to promote success of the Company).

Principal activities and business review

The principal activity of the Company during the year was that of holding investments in other companies in the Euromoney Institutional Investor PLC group ("the Group"). At 30 September 2019, the Company had net assets of £472m (2018: £529m).

During the year, the Group undertook a strategic review of its Asset Management segment, which includes BCA Research Inc, a subsidiary of the Company. The disposal of the segment is highly probable to be completed within 12 months and the action required to complete the disposal indicates that the plan will not be significantly changed or withdrawn. As such, the Company considers its investment in BCA Research as held for sale at 30 September 2019 and has carried out an impairment review to this effect (note 11).

The Company will continue to be an investment holding company for the foreseeable future.

Principal risks and uncertainties facing the Company

Risks are managed at a group level by Euromoney Institutional Investor PLC ("EII PLC"). The Group has continued to develop its processes for risk management. Management of significant risk is regularly on the agenda of the board of EII PLC and other senior management meetings.

Specific risk areas that potentially could have a material impact on the Company's long term performance are:

Liquidity Risk

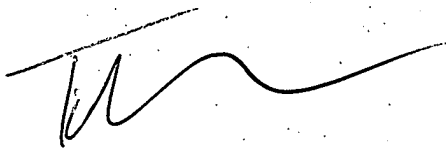
The Group's principal source of borrowings are provided through committed bank facilities available to the Group until December 2021. These syndicated facilities include a £240m (2018: £240m) multi-currency revolving credit facility which was undrawn at 30 September 2019 (2018: undrawn).

The Group's strategy is to use excess operating cash to pay down its drawings under the revolving credit facility and where undrawn invest in short-term bank deposits and money market funds. The Group generally has an annual cash conversion rate (the percentage by which cash generated from operations covers adjusted operating profit before acquired intangible amortisation and exceptional items) of 100% or more due to much of its subscription, sponsorship and delegate revenue being paid in advance. The Group's underlying operating cash conversion rate based on adjusted operating profit was 98%. The Group's forecasts and projections, looking out to September 2022 and taking account of reasonably possible changes in trading performance, show that the Group should be able to operate within the level and covenants of its current and available borrowing facilities.

Key performance indicators

Given the straightforward nature of the business, the Company's Directors are of the opinion that analysis using key performance indicators for the Company is not necessary or appropriate for an understanding of the development, performance or position of the business.

This report was approved by the Board of Directors on 17 January 2020 and signed on behalf of the Board by:



TJ Bratton
Director

Euromoney Canada Limited

Directors' Report

Year ended 30 September 2019

The Directors present their report and the audited financial statements of the Company for the year ended 30 September 2019.

Results and dividends

The profit for the financial year amounted to £80m (2018: £267m). Details of dividends paid during the year are disclosed in note 10 to these financial statements. The Directors have not recommended a final dividend.

Directors

The Directors who served the Company during the year and up to the date of signing the financial statements are listed on page 1.

Future developments

The Directors expect the general level of activity of the Company to remain consistent with prior years and the Company's principal activity is not expected to change substantially.

Qualifying third-party indemnity provisions

A qualifying third-party indemnity (QTPI) as permitted by the Company's Articles of Association and Section 232 and 234 of the Companies Act 2006, has been granted by the Company to the Directors of the Company. Under the provisions of QTPI the Company undertakes to indemnify each Director against liability to third parties (excluding criminal and regulatory penalties) and to pay Directors' costs as incurred, provided that they are reimbursed to the Company if the Director is found guilty or, in an action brought by the Company, judgement is given against the Director.

Financial instruments

The financial instruments held by the Company had at the reporting date were intercompany debtor and creditor balances. These were current accounts, interest free and repayable on demand, stated at amortised cost. Further details can be found in notes 12 and 13 to the financial statements.

Appointment of auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and appropriate arrangements have been put in place for them to be deemed reappointed as auditors in the absence of an Annual General Meeting.

Going concern

The Directors have made enquiries and have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future as Euromoney Institutional Investor PLC, the immediate parent company, has committed to providing financial support to meet its financial obligations when they fall due, for a period of at least 12 months from the date of signing of the accounts for the year ended 30 September 2019. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Euromoney Canada Limited

Directors' Report *(continued)*

Year ended 30 September 2019

Directors' Responsibilities Statement

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 the 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 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.

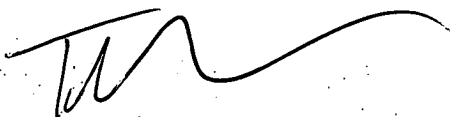
The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies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

Directors' confirmations

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 steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This report was approved by the Board of Directors on 17 January 2020 and signed on behalf of the Board by:



TJ Bratton
Director

Euromoney Canada Limited

Independent Auditors' Report to the Members of Euromoney Canada Limited

Year ended 30 September 2019

Report on the audit of the financial statements

Opinion

In our opinion, Euromoney Canada Limited's financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 September 2019 and of its profit for the year then ended;
- have been properly prepared 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); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Statement of Financial Position as at 30 September 2019; the Statement of Comprehensive Income, and the Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

ISAs (UK) require us to report to you when:

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

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the Company's trade, customers, suppliers and the wider economy.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Euromoney Canada Limited

Independent Auditors' Report to the Members of Euromoney Canada Limited (continued)

Year ended 30 September 2019

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 30 September 2019 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

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

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

Use of this report

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.

Other required reporting

Companies Act 2006 exception reporting

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 by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Maaïke Brandsma

Maaïke Brandsma (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

17 January 2020

Euromoney Canada Limited
Statement of Comprehensive Income
Year ended 30 September 2019

	Notes	2019 £	2018 £
Administrative expenses		(3,441,516)	(11,002,403)
Operating loss	4	(3,441,516)	(11,002,403)
Income from shares in group undertakings	6	136,986,945	291,053,922
Interest receivable and similar income	8	112,167	439,197
Impairment charge	11	(54,703,646)	—
Interest payable and similar expenses	7	(31)	(858,781)
Profit before taxation		78,953,919	279,631,935
Tax on profit	9	632,582	(12,382,520)
Profit for the financial year		79,586,501	267,249,415
Other comprehensive income/(expense):			
Change in fair value of cash flow hedges		—	153,548
Transfer of gains on cash flow hedges to income statement		—	(434,805)
Tax on other comprehensive income		—	47,814
Total comprehensive income for the year		79,586,501	267,015,972

All the activities of the Company are from continuing operations.

The notes on pages 10 to 17 form part of these Annual Report and Financial Statements.

Euromoney Canada Limited

Statement of Financial Position

30 September 2019

	Notes	2019 £	2018 £
Non-current assets			
Investments	11	498,150,956	552,854,602
Total non-current assets		<u>498,150,956</u>	<u>552,854,602</u>
Current assets			
Debtors	12	24,397,801	2,170,840
Cash at bank and in hand		16,154,888	1,009,983
		<u>40,552,689</u>	<u>3,180,823</u>
Creditors: amounts falling due within one year	13	(66,765,416)	(26,696,752)
Net current liabilities		<u>(26,212,727)</u>	<u>(23,515,929)</u>
Net assets		<u>471,938,229</u>	<u>529,338,673</u>
Capital and reserves			
Called up share capital	14	100	100
Retained earnings		471,938,129	529,338,573
Total equity		<u>471,938,229</u>	<u>529,338,673</u>

These financial statements on pages 7 to 17 were approved by the Board of Directors and authorised for issue on 17 January 2020, and are signed on behalf of the Board by:



TJ Bratton
Director

Company registration number: 01974125

The notes on pages 10 to 17 form part of these Annual Report and Financial Statements.

Euromoney Canada Limited

Statement of Changes in Equity

Year ended 30 September 2019

	Called up share capital	Other reserves	Retained earnings	Total equity
	£	£	£	£
At 1 October 2017	100	281,257	494,750,624	495,031,981
Profit for the financial year	—	—	267,249,415	267,249,415
Change in fair value of cash flow hedges	—	153,548	—	153,548
Transfer of gains on cash flow hedges to income statement	—	(434,805)	—	(434,805)
Tax on other comprehensive income	—	—	47,814	47,814
Total comprehensive income for the year	—	(281,257)	267,297,229	267,015,972
Dividends paid during the year	—	—	(232,709,280)	(232,709,280)
At 30 September 2018	100	—	529,338,573	529,338,673
Profit for the financial year and total comprehensive income	—	—	79,586,501	79,586,501
Dividends paid during the year	—	—	(136,986,945)	(136,986,945)
At 30 September 2019	100	—	471,938,129	471,938,229

The notes on pages 10 to 17 form part of these Annual Report and Financial Statements.

Euromoney Canada Limited

Notes to the Financial Statements (continued)

Year ended 30 September 2019

1. General information

The Company is a private Company limited by shares, registered in England and Wales. The address of the registered office is 8 Bouverie Street, London, EC4Y 8AX.

2. Statement of compliance

These financial statements have been prepared under the historical cost convention in compliance, unless otherwise stated in the accounting policies below, with United Kingdom Accounting Standards, including Financial Reporting Standard 102, *The Financial Reporting Standard Applicable in the UK and Republic of Ireland* (FRS 102), and the Companies Act 2006.

3. Accounting policies

Basis of preparation

The Company is incorporated in England and Wales. Due to the current economic conditions there are inherent future uncertainties that may impact the business. As a result, the Directors have made enquiries and have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future as Euromoney Institutional Investor PLC, the immediate parent company, has committed to providing financial support to meet its financial obligations when they fall due, for a period of at least 12 months from the date of signing of the accounts for the year ended 30 September 2019. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

The principal accounting policies, which have been applied consistently throughout the year, are set out below.

Disclosure exemptions

This entity satisfies the criteria of being a qualifying entity as defined in FRS 102. Its financial statements are consolidated into the financial statements of Euromoney Institutional Investor PLC which can be obtained from the Company Secretary, Euromoney Institutional Investor PLC, 8 Bouverie Street, London EC4Y 8AX. As such, advantage has been taken of the following disclosure exemptions available under paragraph 1.12 of FRS 102:

- Statement of Cash Flows (paragraphs 3.17(d))
- Related Party Disclosures (paragraph 33.7)

Income tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

- provision is made for deferred tax that would arise on remittance of the retained earnings of overseas subsidiaries, associates and joint ventures only to the extent that, at the balance sheet date, dividends have been accrued as receivable or there is a binding commitment to remit these earnings;
- deferred tax assets are recognised only to the extent that the Directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the years in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

The notes on pages 10 to 17 form part of these Annual Report and Financial Statements.

Euromoney Canada Limited

Notes to the Financial Statements *(continued)*

Year ended 30 September 2019

3. Accounting policies *(continued)*

Income tax *(continued)*

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

Investments

Investments in subsidiaries are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Consolidation

The Company was, at the end of the year, a subsidiary of another company incorporated in the EEA and in accordance with Section 400 of the Companies Act 2006, is not required to produce, and has not published, consolidated financial statements.

Foreign currencies

Assets and liabilities denominated in foreign currencies are translated into Sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into Sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

Financial instruments

The Company has chosen to adopt IAS 39 in respect of financial instruments.

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Derivative assets and liabilities are measured at fair value, being the mark to market valuation provided by the financial institution acting as the counterparty for the respective trade. This constitutes level 2 in the fair value hierarchy. All other financial instruments are measured at amortised cost.

Trade and other debtors

Trade and other debtors are recognised and carried forward at invoiced amounts less provision for impairment. Bad debts are written off when identified.

Derivative financial instruments

The Company used derivative financial instruments to manage its exposure to interest rate risk. The policy for hedge accounting is outlined below.

The notes on pages 10 to 17 form part of these Annual Report and Financial Statements.

Euromoney Canada Limited

Notes to the Financial Statements (continued)

Year ended 30 September 2019

3. Accounting policies (continued)

Fair value of financial instruments

The fair values of financial assets and financial liabilities are determined as follows:

Level 1

- The fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets is determined with reference to quoted market prices.

Level 2

- The fair value of other financial assets and financial liabilities (excluding derivative instruments) is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes for similar instruments.
- Foreign currency forward contracts are measured using quoted forward exchange rates and yield curves derived from quoted interest rates matching maturities of the contracts.

Level 3

- If one or more significant inputs are not based on observable market data, the instrument is included in level 3.

As at 30 September, all the resulting fair value estimates have been included in level 2, other than cash and cash equivalents, which are classified as level 1.

Hedge accounting

The Company uses derivative financial instruments to manage its exposure to interest rate risks, including interest rate swaps. All derivative instruments are recorded in the Statement of Financial Position at fair value (fair value level 2, as defined above). The derivative instruments are designated as cash flow hedges and are accounted for as follows:

The effective portion of gains or losses on derivatives that are designated and qualify as cash flow hedges are recognised in other comprehensive income within the Statement of Comprehensive Income.

The ineffective portion of such gains and losses is recognised in the Income Statement immediately. Amounts accumulated in equity are reclassified to the Income Statement in the years when the hedged item is recognised in the Income Statement (for example, when the forecast transaction that is hedged takes place). Any hedge effectiveness would be recognised within admin expenses in the Statement of Comprehensive Income, however there was no hedge ineffectiveness for the year ended 30 September 2019.

Dividends

Dividends are recognised as a liability in the year in which they are approved by the Company's shareholders.

The notes on pages 10 to 17 form part of these Annual Report and Financial Statements.

Euromoney Canada Limited

Notes to the Financial Statements *(continued)*

Year ended 30 September 2019

3. Accounting policies *(continued)*

Critical accounting judgements and estimation uncertainty

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 below.

Investments

Investments are impaired where the carrying value of an investment is higher than the net present value of the future cash flows. An impairment of £54.7m was recognised during the year (2018: £nil). Key areas of judgement in calculating the net present value are the forecast cash flows, the long-term growth rate of the applicable businesses and the discount rate applied to those cash flows. Following the Group's decision to explore the strategic options for the Asset Management segment, which includes BCA Research Inc, a subsidiary of the Company, the Company considers its investment in BCA Research as held for sale at 30 September 2019 and has carried out an impairment review to this effect. Management's judgement is that the disposal is highly probable to be completed within 12 months and the action required to complete the disposal indicates that the plan will not be significantly changed or withdrawn.

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 the debtors, and historical experience.

4. Operating loss

Administrative expenses include intra-group management charges of £3.4m (2018: £4.1m).

Auditors' remuneration for the current year was paid by the parent undertaking, Euromoney Institutional Investor PLC. The amount attributed to Euromoney Canada Limited is £17,603 (2018: £15,335) for the audit of the Company's financial statements.

5. Employees and directors

The monthly average number of staff employed by the Company during the financial year amounted to:

	2019	2018
	No	No
Directors	<u>3</u>	<u>3</u>

The employees' service contracts are held with Euromoney Trading Limited. The Directors' emoluments are paid by Euromoney Trading Limited. They do not receive emoluments specifically for services to this Company. This is because management of the Group's trading companies, particularly Euromoney Trading Limited, requires significantly more of the Directors' time than management of investment-holding companies, such as Euromoney Canada Limited.

The notes on pages 10 to 17 form part of these Annual Report and Financial Statements.

Euromoney Canada Limited

Notes to the Financial Statements *(continued)*

Year ended 30 September 2019

6. Income from shares in group undertakings

	2019 £	2018 £
Income from group undertakings	<u>136,986,945</u>	<u>291,053,922</u>

During the financial year, the Company received a dividend from Euromoney Charles Limited, amounting to £136,986,945. The 2018 dividend was received from BCA Research Inc., for an amount of £291,053,922.

7. Interest payable and similar expenses

	2019 £	2018 £
Other interest payable and similar expenses	<u>31</u>	<u>858,781</u>

8. Interest receivable and similar income

	2019 £	2018 £
Interest from group undertakings	-	67,850
Other interest receivable and similar income	<u>112,167</u>	<u>371,347</u>
	<u>112,167</u>	<u>439,197</u>

The notes on pages 10 to 17 form part of these Annual Report and Financial Statements.

Euromoney Canada Limited

Notes to the Financial Statements (continued)

Year ended 30 September 2019

9. Tax on profit

	2019 £	2018 £
Major components of tax (income)/expense		
Current tax:		
UK current tax income	(632,582)	(2,170,177)
Foreign current tax expense	–	14,552,697
Total current tax	<u>(632,582)</u>	<u>12,382,520</u>
Tax on profit	<u>(632,582)</u>	<u>12,382,520</u>

The Company's tax (income)/expense for the year is based on the UK statutory rate of corporation tax for the year of 19% (2018: 19%). The foreign current tax expense of £15m in 2018 was Canadian withholding tax incurred on the receipt of a dividend of £291m from one of the Company's subsidiaries, BCA Research Inc.

Reconciliation of tax (income)/expense

The actual tax expense for the year is different from the UK blended rate of 19% (2018: 19%) of profit before tax for the reasons set out in the following reconciliation:

	2019 £	2018 £
Profit before taxation	<u>78,953,919</u>	<u>279,631,935</u>
Tax at 19% (2018: 19%)	<u>15,001,245</u>	<u>53,130,068</u>
Foreign current tax expense	–	14,552,697
Expenses not deductible	10,393,693	–
Income not taxable	<u>(26,027,520)</u>	<u>(55,300,245)</u>
Tax on profit	<u>(632,582)</u>	<u>12,382,520</u>

Expenses not deductible relate to the £54.7m impairment of the Company's investment in BCA Research Inc. (note 11).

Income not taxable relates to dividends received from subsidiary entities (note 6).

10. Dividends

Dividends paid during the year:

	2019 £	2018 £
Dividends on ordinary equity shares	<u>136,986,945</u>	<u>232,709,280</u>

The notes on pages 10 to 17 form part of these Annual Report and Financial Statements.

Euromoney Canada Limited

Notes to the Financial Statements (continued)

Year ended 30 September 2019

11. Investments

	£
Cost	
At 1 October 2018 and 30 September 2019	<u>552,854,602</u>
Impairment	
At 1 October 2018	—
Impairment losses	<u>54,703,646</u>
At 30 September 2019	<u>54,703,646</u>
Carrying amount	
At 30 September 2019	<u>498,150,956</u>
At 30 September 2018	<u>552,854,602</u>

As part of a wider strategic review of the Group's Asset Management segment, the Company has classified its investment in BCA Research Inc as held for sale. As a result, it has written down the book value of this investment to fair value less cost of disposal (FVLCD), resulting in an impairment of £54.7m. The expected sale proceeds have been determined using discounted future cash flows, using a WACC of 9.6% and a long-term growth rate of 2.2%.

Holdings in subsidiary undertakings:

Entity	Proportion of shares held	Registered address	Nature of business	Class of shares held
BCA Research Inc.	100%	1002 Sherbrook Street West, Montreal, Québec, H3A 3L6, Canada	Research and data services	Ordinary
Euromoney Charles Limited	100%	8 Bouverie Street, London, EC4Y 8AX, United Kingdom	Investment holding Company	Ordinary
Euromoney Publications (Jersey) Limited	100%	15 Esplanade, St Helier, JE1 1RB, Jersey	Investment holding Company	Ordinary
Euromoney Consortium Limited	100%*	8 Bouverie Street, London, EC4Y 8AX, United Kingdom	Investment holding Company	A Ordinary
Glenprint Limited	100%*	8 Bouverie Street, London, EC4Y 8AX, United Kingdom	Publishing	Ordinary
Euromoney Global Limited	100%*	8 Bouverie Street, London, EC4Y 8AX, United Kingdom	Publishing and events	Ordinary
Euromoney BML Limited	100%*	8 Bouverie Street, London, EC4Y 8AX, United Kingdom	Investment holding Company	Ordinary

*Indirect holdings

The Directors believe that the carrying value of the investments is supported by their future prospects.

The notes on pages 10 to 17 form part of these Annual Report and Financial Statements.

Euromoney Canada Limited

Notes to the Financial Statements (continued)

Year ended 30 September 2019

12. Debtors: amounts falling due within one year

	2019 £	2018 £
Corporation tax receivable	632,582	2,170,177
Amounts owed by group undertakings	23,756,845	—
Other debtors	8,374	663
	<u>24,397,801</u>	<u>2,170,840</u>

The amounts owed by group undertakings are current accounts which are interest free and repayable on demand.

13. Creditors: amounts falling due within one year

	2019 £	2018 £
Amounts owed to group undertakings	<u>66,765,416</u>	<u>26,696,752</u>

Amounts owed to group undertakings included a loan of £15,290,748 (2018: £15,290,748) bearing interest at 3.013% (2018: 2.928%) which was repaid in full on 20 September 2019.

The other amounts owed to group undertakings are current accounts which are interest free and repayable on demand.

14. Called up share capital

Issued, called up and fully paid

	2019		2018	
	No	£	No	£
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

15. Controlling party

The immediate and ultimate parent undertaking and controlling party is Euromoney Institutional Investor PLC (EII PLC).

Both the largest and smallest group of which the Company is a member and for which group financial statements are drawn up is that of Euromoney Institutional Investor PLC, incorporated in Great Britain. Copies of the report and financial statements are available from the Company Secretary, Euromoney Institutional Investor PLC, 8 Bouverie Street, London, EC4Y 8AX.

The notes on pages 10 to 17 form part of these Annual Report and Financial Statements.