

ENVOY CAPITAL GROUP INC.
Form 20-F
December 17, 2009

As filed with the Securities and Exchange Commission on December 16, 2009

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 20-F

Registration statement pursuant to Section 12(b) or 12(g) of the Securities Exchange Act of 1934

OR

Annual report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the fiscal year ended September 30, 2009

OR

Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the transition period from _____ to _____

OR

Shell company report pursuant to Section 13 or 15 (d) of the Securities Exchange Act of 1934

Date of event requiring this shell company report _____

Commission file number 0-30082

ENVOY CAPITAL GROUP INC.

(Exact name of Registrant as specified in its charter)

(Translation of Registrant's name into English)

Ontario, Canada

(Jurisdiction of incorporation or organization)

30 St. Patrick St., Ste. 301, Toronto, Ontario, Canada M5T 3A3

(Address of principal executive offices)

Andrew Patient, Tel. 416-593-3725 Fax 416-593-4434, 30 St. Patrick St., Ste.301, Toronto Ontario, Canada M5T 3A3

(Name, Telephone, Email and/or Facsimile number and Address of Company Contact Person)

Securities registered or to be registered pursuant to Section 12(b) of the Act: None

Securities registered or to be registered pursuant to Section 12(g) of the Act:

COMMON SHARES

(Title of Class)

The Nasdaq Capital Market

(Name of each exchange on which registered)

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act.

NONE

(Title of Class)

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report: At September 30, 2009, there were 8,558,377 common shares outstanding.

Indicate by check mark if the Registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. YES: NO:

If this report is an annual or transition report, indicate by check mark if the Registrant is not required to file reports pursuant to 13 or 15 (d) of the Securities Exchange Act of 1934. YES: NO:

Indicate by check mark whether the Registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. YES: NO:

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). YES: NO:

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, or a non accelerated filer:
Large accelerated filer Accelerated filer Non-accelerated filer

Indicate by check mark which basis of accounting the Registrant has used to prepare the financial statements included in this filing:
U.S. GAAP International Financial Reporting Standards as issued by the International Accounting Standards Board Other

Indicate by check mark which financial statement item the Registrant has elected to follow. Item 17: Item 18:

If this is an annual report, indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). YES: NO:

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The certifications are exhibits, not part of body.

References in this annual report to “the Company” and ‘Envoy’ mean Envoy Capital Group Inc. and its subsidiaries, unless otherwise specified.

The Company presents its consolidated financial statements in Canadian dollars. In this annual report, except where otherwise indicated, all dollar amounts are expressed in Canadian dollars. References to “\$” are to Canadian dollars, references to “U.S.” are to United States dollars, “€” are to Euro dollars and references to “£” are to British pounds. See “Selected Financial Data” in Item 3 of this Form 20-F.

Special Note Regarding Forward-Looking Statements

This annual report on Form 20-F contains forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995, including statements relating to Envoy’s outlook or future economic performance, anticipated profitability, revenues, commissions and fees, expenses and other financial items, and Envoy’s plans and expectations relating to its business and prospects. The words “expect”, “anticipate”, “estimate”, “may”, “will”, “should”, “intend,” “believe”, and similar expressions, are intended to identify forward-looking statements. Forward-looking statements are based on estimates and assumptions made by Envoy in light of its experience and its perception of historical trends, current conditions and expected future developments, as well as other factors that the Company believes are appropriate in the circumstances. Many factors could cause Envoy’s actual results, performance or achievements to differ materially from those expressed or implied by the forward-looking statements, including, without limitation, the factors described in Item 3.D “Risk Factors”. These factors should be considered carefully, and readers should not place undue reliance on Envoy’s forward-looking statements. The Company has no intention and undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

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PART I

Item 1: Identity of Directors, Senior Management and Advisers

Not applicable.

Item 2: Offer Statistics and Expected Timetable

Not applicable.

Item 3: Key Information

A. Selected Financial Data¹

The following tables sets forth selected financial data for Envoy for the fiscal years indicated below and should be read in conjunction with the more detailed audited consolidated financial statements and the related notes thereto (the “Consolidated Financial Statements”) appearing under Item 17 in this Form 20-F and the discussion under Item 5 “Operating and Financial Review and Prospects” herein. The selected consolidated financial data does not include statements of operations data or balance sheet data of any acquired operations prior to their respective acquisition effective dates. The Company’s historical results are not necessarily indicative of the results that may be expected for any future period.

Fiscal Years Ended September 30 (all amounts in thousands except per share data)	2009	2008	2007	2006 (2)	2005 (3)
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Statement of Operations Data:

Net Revenue	\$12,318	\$11,260	\$17,551	\$9,672	\$19,567
(Loss) Earnings From Continuing Operations (4)	(10,476)	(10,158)	2,641	(5,392)	3,074
Earnings From Discontinued Operations	-	-	375	7,528	2,868
(Loss) Earnings From Continuing Operations Basic Earnings Per Share	(1.22)	(1.11)	0.20	(0.27)	0.14
(Loss) Earnings From Continuing Operations Diluted Earnings Per Share	(1.22)	(1.11)	0.20	(0.27)	0.14
Net (Loss) Earnings (4)	(10,476)	(10,158)	3,017	2,136	5,942
Net (Loss) Earnings Per Share Basic	(1.22)	(1.11)	0.23	0.10	0.27
Net (Loss) Earnings Per Share Diluted (4)	(1.22)	(1.11)	0.23	0.10	0.27

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¹The Consolidated Financial Statements of Envoy have been prepared by management in accordance with Canadian Generally Accepted Accounting Principles (“Canadian GAAP”) which vary in certain significant respects from U.S. Generally Accepted Accounting Principles (“U.S. GAAP”). Reconciliation to U.S. GAAP for fiscal 2009, 2008 and 2007 is set forth in Note 24 to the Notes to the Consolidated Financial Statements. The following would be the adjustments under U.S. GAAP to the information provided above as an increase (decrease) to: Net revenue 2009 (\$586), 2008 \$4,255, 2007 (\$5,148), 2006 \$nil and 2005 \$nil; (Loss) earnings from continuing operations 2009 (\$283), 2008 \$1,686, 2007 (\$1,240), 2006 \$nil and 2005 \$344; (Loss) earnings from continuing operations earnings per share basic 2009 (\$0.04), 2008 \$0.18, 2007 (\$0.09), 2006 \$nil and 2005 \$0.01; (Loss) earnings from continuing operations earnings per share diluted 2009 (\$0.04), 2008 \$0.18, 2007 (\$0.09), 2006 \$nil and 2005 \$0.01; Net (loss) earnings 2009 (\$283), 2008 \$4,490, 2007 (\$1,240), 2006 (\$2,700) and 2005 \$344; and Net (loss) earnings per share basic 2009 (\$0.04), 2008 \$0.49, 2007 (\$0.09), 2006 (\$0.13) and 2005 \$0.01; Net (loss) earnings per share diluted 2009 (\$0.04), 2008 \$0.49, 2007 (\$0.09), 2006 (\$0.13) and 2005 \$0.01.

At a meeting held on August 14, 2003, the Company’s shareholders approved the consolidation of the Company’s common shares on the basis to be determined by its board of directors (not to exceed a ratio of 1 for 10). On January 15, 2005, the Company’s board of directors approved the consolidation of the common shares (a reverse stock split) on the basis of a 1 for 5 ratio. On January 21, 2005 the Company filed Articles of Amendment consolidating its common shares on the basis of 1 new common share for every 5 common shares outstanding. Outstanding shares and earnings per share figures for all periods presented have been adjusted to give effect to the share consolidation. Information on the number of shares outstanding, and stock options are disclosed on a post-consolidation basis.

	2009	2008	2007	2006	2005
As at September 30 (all amounts in thousands)				(2)	(3)

Balance Sheet Data:

Current Assets	\$
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