Company Registration No. 04241679 (England and Wales)

DIVERSIFIED BUSINESS COMMUNICATIONS UK LIMITED

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

DIVERSIFIED BUSINESS COMMUNICATIONS UK LIMITED
COMPANY INFORMATION

Directors	C Holm T Wirth P Warren FCA W Mitchell
Secretary	P Warren FCA
Company number	04241679
Registered office	The Brinell Building Ground Floor 30 Station Street Brighton BN1 4RB
Independent Auditors	Kreston Reeves LLP 1 Jubilee Street Brighton East Sussex BN1 1GE

DIVERSIFIED BUSINESS COMMUNICATIONS UK LIMITED

STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present their strategic report for the company for the year ended 31 December 2019.

Review of the business

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

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

	2019 £	2018 £	Change %
Turnover	19,081,551	16,479,233	16%
Gross Profit	10,703,699	9,317,468	15%
Operating Profit	2,758,326	2,143,622	29%
Current assets as % of current liabilities	116%	87%	30%
Average number of employees	120	111	8%

Turnover increased by 16% due to good organic growth from recently launched shows and acquisitions during the previous year. These combined with strong performance from the existing trade events helped drive gross profit to £10,703,699, an increase of 14% over 2018.

Current assets as a percentage of current liabilities has risen against that for 2018 following payment during the year of the 2018 contingent consideration relating to the acquisition of Exposure Media UK Ltd in November 2018 and not having any similar transactions during 2019. Advanced sales of our 2020 shows have been very strong, all of which have been treated as deferred income and will all be released once the events have taken place. For further details see note 14.

As the company continues to grow, so does the number of full-time employees which has now risen from an average of 111 in 2018 to 120 in 2019 and will continue to grow in 2020 as new trade events come online.

Principal risks & uncertainties

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

Future developments & performance

2019 saw the company continue its investment in moving to a single Customer Relationship Management system across all its offices and 2020 will see the final stages of the programme being completed for the London and Peterborough offices. The company's strategy of launching new shows continues with plans being developed for additional events in 2020 and 2021.

2019 also saw the successful launch of the Organic Food Iberia trade show held in Madrid during June.

In September 2019, the company successfully moved its head office in Brighton to new, larger, modern and purpose-built offices whilst also relocated its Cotswold offices to a smaller office following a small reorganisation.

The company continues with its major IT project which will see all its offices move into the cloud during 2020.

On the 31st January 2020, the company acquired the Aquaculture show, revenue from which will flow into 2020 and is run in Aviemore, Scotland bi-annually during May.

Effects of the UK decision to leave the European Union

Now that the decision has finally been made for the UK to leave the European Union, the company acknowledges that there is still uncertainty about the future economic and political consequences of Brexit especially with regards to future consumer and business confidence, political stability and market risks such as currency volatility, inflation and employment and will continue to monitor such risks during the transition period.

Position of company at year end

The company is fortunate to have strong cashflows from all its trade events and is well placed to take advantage of the opportunities that exist in 2020 and is looking forward to another successful year.

Approved by ~~the board and signed~~ on its behalf

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P Warren FCA
Company Secretary

4 March 2020
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The directors present their report and audited financial statements of the company for the year ended 31 December 2019.

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

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

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

C Holm
T Wirth
P Warren FCA
W Mitchell

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

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

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

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

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

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

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

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

Independent auditors

Kreston Reeves LLP were appointed independent auditors during 2019 and have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the Annual General Meeting.

Approved by the board and signed on its behalf

C Holm
Director

4 Apr 2020

DIVERSIFIED BUSINESS COMMUNICATIONS UK LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DIVERSIFIED BUSINESS COMMUNICATIONS UK LIMITED

Opinion

We have audited the financial statements of Diversified Business Communications UK Limited (the 'Company') for the year ended 31 December 2019, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

• give a true and fair view of the state of the Company's affairs as at 31 December 2019 and of its profit for the year then ended;

• have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and

• have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

• 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.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion 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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

• the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and

• the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which 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.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors 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 Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

Use of our report

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 Auditors' 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.

Alison Jones FCA (Senior Statutory Auditor)

for and on behalf of
Kreston Reeves LLP

Chartered Accountants
Statutory Auditor

One Jubilee Street
Brighton
East Sussex
BN1 1GE
Date: 5 March 2020

DIVERSIFIED BUSINESS COMMUNICATIONS UK LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	2019 £	2018 £
Turnover	5	19,081,551	16,479,233
Cost of sales		(8,377,852)	(7,161,765)
Gross profit		10,703,699	9,317,468
Administrative expenses		(7,945,373)	(7,173,846)
Operating profit	6	2,758,326	2,143,622
Interest receivable and similar income	8	10,688	4,569
Interest payable and similar expenses	8	-	-
Net interest income	8	10,688	4,569
Profit before taxation		2,769,014	2,148,191
Tax on profit	9	(735,730)	(588,662)
Profit for the financial year		2,033,284	1,559,529
Other comprehensive income		-	-
Total comprehensive income		2,033,284	1,559,529

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

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

DIVERSIFIED BUSINESS COMMUNICATIONS UK LIMITED

BALANCE SHEET
AS AT 31 DECEMBER 2019

	Note	2019 £	2019 £	2018 £	2018 £
Fixed assets					
Intangible assets	10		5,908,118		6,936,115
Tangible assets	11		596,172		232,969
			6,504,290		7,169,084
Current assets					
Stocks	12	327,237		511,893	
Debtors	13	6,972,579		5,958,809	
Cash at bank and in hand		2,507,606		1,829,313	
		9,807,422		8,300,015	
Creditors: amounts falling due within one year	14	(8,443,450)		(9,569,542)	
Net current Assets/(liabilities)			1,363,972		(1,269,527)
Total assets less current liabilities			7,868,262		5,899,557
Creditors: amounts falling due after more than one year	15		-		(101,268)
Provisions for liabilities	17		(72,394)		(35,705)
Net assets			7,795,868		5,762,584
Capital and reserves					
Called up share capital	19		338,101		338,101
Retained earnings			7,457,767		5,424,483
Total shareholders' funds			7,795,868		5,762,584

The notes on pages 11 to 25 are an integral part of these financial statements.

The financial statements on pages 9 to 25 were authorised for issue by the board of directors on 4 March 2020 and are signed on its behalf by:

C Holm
Director
Diversified Business Communications UK Limited

Registered number 04241679

DIVERSIFIED BUSINESS COMMUNICATIONS UK LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2019

	Called up share capital £	Retained earnings £	Total shareholders' funds £
Balance as at 1 January 2018	**338,101**	**3,864,954**	**4,203,055**
Profit for the financial year	-	1,559,529	1,559,529
Total comprehensive income for the year	-	1,559,529	1559,529
Balance as at 31 December 2018	**338,101**	**5,424,483**	**5,762,584**
Balance as at 1 January 2019	**338,101**	**5,424,483**	**5,762,584**
Profit for the financial year	-	2,033,284	2,033,284
Total comprehensive income for the year	-	2,033,284	2,033,284
Balance as at 31 December 2019	**338,101**	**7,457,767**	**7,795,868**

1 General information

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

The company is a private company limited by shares and is incorporated and domiciled in England. The address of its registered office is The Brinell Building, Ground Floor, 30 Station Street, Brighton, BN1 4RB.

2 Statement of compliance

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

3 Summary of significant accounting policies

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

(a) Basis of preparation

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

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

(b) Going concern

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

(c) Exemptions for qualifying entities under FRS 102

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

(d) Consolidated financial statements

The company is a wholly owned subsidiary of Diversified Holding Co, a company incorporated in the United States of America. Therefore, the company is exempt by virtue of section 401 of the Companies Act 2006 from the requirement to prepare consolidated financial statements. Details of how to obtain holding company financial statements are disclosed in note 20. These financial statements are the company's separate financial statements.

3 Summary of significant accounting policies (continued)

(e) Foreign currency

(i) Functional and presentation currency

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

(ii) Transactions and balances

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

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

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

(f) Revenue recognition

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

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

Revenue is recognised at the time of the event or conference or the date of publication.

(g) Employee benefits

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

(i) Short term benefits

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

3 Summary of significant accounting policies (continued)

(g) Employee benefits (continued)

(ii) Defined contribution pension plans

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

(iii) Annual Bonus Plan

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

(h) Taxation

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

Current or deferred taxation assets and liabilities are not discounted.

(i) Current tax

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

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

(ii) Deferred tax

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

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

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

3 Summary of significant accounting policies (continued)

(i) Business Combinations and goodwill

Business combinations are accounted for by applying the purchase method.

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

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

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

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

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

(j) Intangible assets

Intangible assets (excluding Goodwill as detailed in note 3 (i)) which are identifiable on the acquisition of business combinations and goodwill are stated at cost less accumulated amortisation and accumulated impairment losses amortised over their estimated useful lives as follows:

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

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

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

3 Summary of significant accounting policies (continued)

(k) Tangible assets

Tangible assets are stated at cost less accumulated depreciation.

(i) Depreciation and residual values

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

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

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

(l) Leased assets

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

(m) Operating leased assets

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

(n) Stocks

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

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

(o) Cash at bank and in hand

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

(p) Provisions and contingencies

(i) Provisions

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

3 Summary of significant accounting policies (continued)

(p) Provisions and contingencies (continued)

(ii) Contingencies

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

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

(q) Financial instruments

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

(i) Financial assets

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

(ii) Financial liabilities

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

(r) Share capital

Ordinary shares are classified as equity.

(s) Related party transactions

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

4 Critical accounting judgements and estimation uncertainty

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

4 Critical accounting judgements and estimation uncertainty (continued)

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

Identifiable intangible assets are based on values agreed based on expected future cashflows at the time of acquisition derived from the allocation of the acquisition price under the asset sale agreement. There is a judgement regarding the categories of assets recognised and therefore the future amortisation period attributable to those assets.

(b) Critical accounting estimates and assumptions

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

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

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

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

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

5 Turnover

Analysis of turnover by category & geography	2019	2018
	£	£
Sales of exhibition services	17,722,155	15,007,741
Sales of publications, eMedia and other services	1,359,396	1,471,492
	19,081,551	16,479,233
United Kingdom	12,841,509	11,923,565
Outside of the United Kingdom	6,240,042	4,555,668
	19,081,551	16,479,233

6 Operating profit

	2019	2018
	£	£
Operating profit is stated after charging/(crediting):		
Amortisation of intangible assets	1,027,997	967,221
Depreciation of tangible fixed assets	153,698	180,767
Loss/(gain) on disposal of tangible assets	19,499	168
Operating lease rentals	161,118	210,511
Fees payable to the Company's auditors for the audit of the financial statements	20,000	25,750
Fees payable to the Company's auditors for other services:		
• Tax compliance services	4,500	6,500
• Other services	900	-

7 Employees and directors

Employees

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

	2019	2018
By Activity:	No.	No.
Sales and marketing	75	69
Production and operations	30	29
Administration	15	13
	120	111

	2019	2018
Employment costs	£	£
Wages and salaries	5,106,903	4,607,662
Social security costs	531,467	476,544
Other pension costs	212,761	172,296
	5,851,131	5,256,502

Directors

The directors' emoluments were as follows:

	2019	2018
	£	£
Aggregate emoluments (highest paid director £267,999 (2018: 188,037))	388,299	272,673
Aggregate amounts receivable under long-term incentive schemes (and highest paid director)	-	114,687
	388,299	387,360

Two directors (2018: two) are members of a defined contribution scheme and one director (2018: one) is accruing benefits under a long-term incentive scheme

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

8 Net interest income

	2019	2018
	£	£
(a) Interest receivable and similar income		
Bank interest received	10,688	4,569

9 Tax on profit

(a) Tax expense included in profit or loss

	2019	2018
	£	£
Current tax:		
U.K. corporation tax on profits for the year	708,618	617,508
Adjustment in respect of prior years	(8,397)	(32,399)
Total current tax	700,219	585,109
Deferred tax:		
Origination and reversal of timing differences	35,511	3,553
Total deferred tax	35,511	3,553
Total tax on profit	735,730	588,662

(b) Reconciliation of tax charge

Factors affecting the tax charge for the year

The tax assessed for the year is higher (2018: higher) than the standard rate of corporation tax in the UK for the year ended 31 December 2019 of 19.00% (2018:19.00%). The differences are explained below:

	2019	2018
	£	£
Profit before taxation	2,769,014	2,148,191
Profit before taxation multiplied by standard rate of UK corporation tax of 19.00% (2018 – 19.00%)	526,113	408,156
Effects of:		
Expenses not deductible for tax purposes	219,193	212,905
Deferred tax on assets acquired	(1,178)	-
Adjustment in respect of prior years	(8,398)	(32,399)
	735,730	588,662

9 Tax on profit - continued

The standard rate of corporation tax in the UK changed from 20% to 19% from 1st April 2017 and therefore the Company's profits for this financial year are taxed at an effective rate of 19.00% (2018: 19.00%).

During the previous year the 2017 Finance Act (substantively enacted on 16 November 2017) included provisions maintaining the main rate of UK corporation tax at 17% from 1 April 2020. Accordingly, the relevant deferred tax balances at 31 December 2019 have been measured using the future UK Corporation tax rate of 17%.

10 Intangible assets

	Trade names	Goodwill	Total
	£	£	£
Cost			
At 1 January 2019	3,019,885	9,597,713	12,617,598
Additions	-	-	-
Disposals	-	-	-
At 31 December 2019	3,019,885	9,597,713	12,617,598
Accumulated amortisation			
At 1 January 2019	2,643,318	3,038,165	5,681,483
Charge for the year	168,900	859,097	1,027,997
Disposals	-	-	-
At 31 December 2019	2,812,218	3,897,262	6,709,480
Net book value			
At 31 December 2019	207,667	5,700,451	5,908,118
At 31 December 2018	376,567	6,559,548	6,936,115

The company does own 100% of the share capital of the following companies, all of which are dormant at the balance sheet date and have registered offices at The Brinell Building, Ground floor, 30 Station Street, Brighton, Sussex, BN1 4RB

Tent Exhibitions Limited (held directly) – (application to strike off submitted December 2019)
Exposure Media UK Ltd (held directly) – (application to strike off submitted December 2019)

11 Tangible assets

	Leasehold improvements	Office equipment	Total
	£	£	£
Cost			
At 1 January 2019	128,777	604,778	733,555
Additions	285,338	251,462	536,800
Disposals	(128,777)	(140,419)	(269,196)
At 31 December 2019	285,338	715,821	1,001,159
Accumulated depreciation			
At 1 January 2019	111,015	389,571	500,586
Charge for the year	28,676	125,022	153,698
Disposals	(128,777)	(120,520)	(249,297)
At 31 December 2018	10,914	394,073	404,987
Net book value			
At 31 December 2019	274,424	321,748	596,172
At 31 December 2018	17,762	215,207	232,969

12 Stocks

	2019	2018
	£	£
Work in progress	327,237	511,893

13 Debtors

	2019	2018
	£	£
Trade debtors	2,648,497	2,629,737
Amounts owed by group undertakings	2,978,518	2,037,243
Other debtors	1,345,564	1,291,829
	6,972,579	5,958,809

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

14 Creditors: amounts falling due within one year

	2019	2018
	£	£
Trade creditors	162,713	114,396
Corporation tax	534,616	263,073
Other taxation and social security	454,799	479,658
Other creditors	10,442	847,641
Accruals and deferred income	7,280,880	7,864,774
	8,443,450	9,569,542

A fixed and floating charge over all the assets of the company is registered in favour of HSBC Bank plc securing debts owed by the company. The amount outstanding at 31 December 2019 was £nil (2018: £nil).

Included within other creditors is £nil (2018: £600,000) of contingent consideration payable on the acquisition of Exposure Media UK Ltd during 2018.

At 31 December 2019 the company had outstanding pension contributions totalling £172 (2018: £2,091) included within other creditors.

15 Creditors: amounts falling due after more than one year

	2019	2018
	£	£
Other creditors	-	101,268

Included within other creditors is £nil (2018: £101,268) of contingent consideration payable on the acquisition of Tent Exhibitions Limited arising during 2018.

16 Financial instruments

	2019	2018
	£	£
Financial assets		
Financial assets that are debt instruments measured at amortised cost	5,855,515	4,785,849
Financial liabilities		
Financial liabilities measured at amortised cost	862,544	1,650,938

Financial assets that are debt instruments measured at amortised cost comprise of trade debtors, amounts owed by group undertakings and other debtors.

Financial liabilities measured at amortised cost comprise trade creditors, other creditors and accruals.

17 Provisions for liabilities

	Deferred tax liability £
Balance at 1 January 2019	35,705
Statement of comprehensive income movement	36,689
Balance at 31 December 2019	72,394

The deferred tax liability is made up as follows:

	2019 £	2018 £
Accelerated capital allowances	74,769	38,406
Other timing differences	(2,374)	(2,701)
	72,394	35,705

18 Post-employment benefits

Defined contribution scheme

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

	2019 £	2018 £
Contributions payable by the company for the year	432,783	366,709

19 Called up share capital

	2019 £	2018 £
Allotted, called up and fully paid		
338,101 (2018: 338,101) Ordinary shares of £1 each	338,101	338,101

20 Commitments under operating leases

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

	Land and Buildings		Other	
	2019	2018	2019	2018
	£	£	£	£
Payments due:				
Not later than one year	247,460	128,964	30,099	32,154
Later than one year and not later than five years	1,229,272	1,120,871	30,336	44,313
Later than five years	2,483,558	2,803,086	-	-
	3,960,290	4,052,921	60,435	76,467

21 Controlling parties

The immediate parent undertaking is Diversified Communications, a company incorporated in the United States of America. The ultimate parent company, and largest company producing group financial statements which include the company is Diversified Holding Co, a company incorporated in the United States of America which has no controlling party. Copies of the financial statements can be obtained from 121 Free Street, Portland, ME 04101, USA.

22 Related party relationships and transactions

Key Management Personnel

The company considers its key management personnel for both 2019 and 2018 to comprise of: C Holm and P Warren.

Total compensation was £388,299 (2018: £387,360).

Transactions with G Holm (director's wife)

Transactions involve purchases from G Holm for consultancy services of £19,632 (2018: £2,000).

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