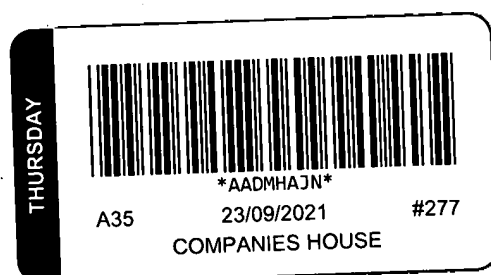


Company Registration No. 04241679 (England and Wales)

DIVERSIFIED BUSINESS COMMUNICATIONS UK LIMITED

**REPORT AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2020**



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
Plus x Innovation Hub
Lewes Road
Brighton
East Sussex
BN2 4GL

DIVERSIFIED BUSINESS COMMUNICATIONS UK LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

The directors present their strategic report for the company for the year ended 31 December 2020.

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:

	2020 £	2019 £	Change %
Turnover	939,285	19,081,551	-95%
Gross (Loss)/Profit	(1,172,778)	10,703,699	-111%
Operating (Loss)/Profit	(7,449,005)	2,758,326	-370%
Current assets as % of current liabilities	111%	116%	-5%
Average number of employees	101	120	-16%

Due to the Covid-19 pandemic, the company's trading exhibition venues were closed following Government guidelines meaning that in 2020 it was only able to hold one event before the first national lockdown was announced and was unable to hold any further events in 2020. Turnover therefore represents one trading event along with revenues from publications during the year.

Current assets as a percentage of current liabilities has fallen against that for 2019 due to a reduction in trade debtors at the year end and the partial repayment on intercompany debt. Good advanced sales of our 2021 shows reflect exhibitor confidence in rolling over their investment from 2020 cancelled events, 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 a direct result of the Covid-19 pandemic, the company did embark on a rationalisation programme resulting in the closure of two of its offices and a reduction in the number of full time employees, which has now fallen from an average of 120 in 2019 to 101 in 2020 and is likely to fall further during 2021.

On the 7th February 2020, the company acquired the Aquaculture show, an event dedicated to the industry of aquafarming. The show was meant to take place in May 2020 but has been postponed due to the Covid-19 pandemic.

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 competitor 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.

The continuing uncertainty around when exhibition venues will be allowed to re-open for business as a result of the COVID-19 pandemic is being monitored carefully and plans are constantly being amended following Government advice.

DIVERSIFIED BUSINESS COMMUNICATIONS UK LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2020 (continued)

Principal risks & uncertainties – continued

Given the uncertainties surrounding when the company can operate at exhibition centres, the company has prepared a number of contingency plans based around phased re-opening of these venues during 2021 and is confident that in all these scenarios, it has the resources to manage these situations and therefore continues to trade on a going concern basis.

Future developments & performance

2020 saw the completion of the installation of its single Customer Relationship Management system and also the completion of its major IT project to move all its offices into the cloud.

Having lost all but one of its events during 2020 due to the Covid-19 pandemic, the company has worked hard to ensure that these postponed events have been rescheduled into the latter part of 2021 and continues to work closely with the venues concerned in following Covid-19 guidelines and to ensure that these events can take place.

Effects of the UK decision to leave the European Union

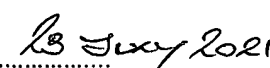
Now that the UK has left the European Union, the company acknowledges that there is still uncertainty about the future economic and political consequences of Brexit especially with regards to future consumer and business confidence, political stability and market risks such as currency volatility, inflation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

Position of company at year end

The company was fortunate to be able to avail itself of the UK Government's Coronavirus Large Business Interruption Loan Scheme (CLBILS) and this combined with good advanced 2021 bookings, parent company backing and ongoing support from the company bankers, means that the company is in a good position to manage the challenges in 2021 and to take full advantage of any opportunities that might arise.

Approved by the board and signed on its behalf


.....
P Warren FCA
Company Secretary


.....
13 July 2021

DIVERSIFIED BUSINESS COMMUNICATIONS UK LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

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

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 will be looking to develop its online digital webinar and conference presence, following some successful small-scale launches in 2020 and to bring those to a wider audience in 2021.

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.

DIVERSIFIED BUSINESS COMMUNICATIONS UK LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020 (continued)

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;
- 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.

DIVERSIFIED BUSINESS COMMUNICATIONS UK LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020 (continued)

Independent auditors

Kreston Reeves LLP 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

23 July 2021.

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 2020, 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 2020 and of its loss 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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.

DIVERSIFIED BUSINESS COMMUNICATIONS UK LIMITED

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

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; or

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.

DIVERSIFIED BUSINESS COMMUNICATIONS UK LIMITED

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

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Capability of the audit in detecting irregularities, including fraud

Based on our understanding of the company and industry, and through discussion with the directors and other management (as required by auditing standards), we identified that the principal risks of non-compliance with laws and regulations related to health and safety, anti-bribery, GDPR and employment law. We considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to; posting inappropriate journal entries to increase revenue or reduce expenditure and management bias in accounting estimates and judgemental areas of the financial statements such as the valuation of goodwill and other intangible assets and impairment of trade debtors. Audit procedures performed by the engagement team included:

- Discussions with management and assessment of known or suspected instances of non-compliance with laws and regulations (including health and safety) and fraud, and review of the reports made by management and internal audit; and
- Assessment of identified fraud risk factors; and
- Challenging assumptions and judgements made by management in its significant accounting estimates; and
- Performing analytical procedures to identify any unusual or unexpected relationships, including related party transactions, that may indicate risks of material misstatement due to fraud; and
- Confirmation of related parties with management, and review of transactions throughout the period to identify any previously undisclosed transactions with related parties outside the normal course of business; and

DIVERSIFIED BUSINESS COMMUNICATIONS UK LIMITED

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

- Performing analytical procedures with automated data analytics tools to identify any unusual or unexpected relationships, including related party transactions, that may indicate risks of material misstatement due to fraud; and
- Reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with relevant tax and regulatory authorities; and
- Review of significant and unusual transactions and evaluation of the underlying financial rationale supporting the transactions; and
- Identifying and testing journal entries, in particular any manual entries made at the year end for financial statement preparation.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

DIVERSIFIED BUSINESS COMMUNICATIONS UK LIMITED

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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.

Kreston Reeves LLP

Alison Jones FCA (Senior Statutory Auditor)

for and on behalf of
Kreston Reeves LLP

Chartered Accountants
Statutory Auditor

Plus X Innovation Hub
Lewes Road
Brighton
East Sussex
BN2 4GL

Date: 27 July 2021

DIVERSIFIED BUSINESS COMMUNICATIONS UK LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2020

		2020 £	2019 £
Turnover	Note 5	939,285	19,081,551
Cost of sales		<u>(2,112,063)</u>	<u>(8,377,852)</u>
Gross (loss)/profit		(1,172,778)	10,703,699
Administrative expenses		(7,120,135)	(7,945,373)
Other operating income		<u>843,908</u>	<u>-</u>
Operating (loss)/profit	6	(7,449,005)	2,758,326
Interest receivable and similar income	8	4,128	10,688
Interest payable and similar expenses	8	<u>(18,966)</u>	<u>-</u>
Net interest expense/income	8	(14,838)	10,688
(Loss)/Profit before taxation		(7,463,843)	2,769,014
Tax on profit	9	<u>721,073</u>	<u>(735,730)</u>
(Loss)/Profit for the financial year		<u>(6,742,770)</u>	<u>2,033,284</u>
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive (loss)/income		<u>(6,742,770)</u>	<u>2,033,284</u>

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

There are no recognised gains and loss for 2020 or 2019 other than those passing through the statement of comprehensive income.

The notes on pages 12 to 25 are an integral part of these financial statements.

DIVERSIFIED BUSINESS COMMUNICATIONS UK LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2020

	Note	2020 £	2019 £
Fixed assets			
Intangible assets	10	6,810,723	5,908,118
Tangible assets	11	477,736	596,172
		<u>7,288,459</u>	<u>6,504,290</u>
Current assets			
Stocks	12	339,311	327,237
Debtors	13	5,887,604	6,972,579
Cash at bank and in hand		6,992,069	2,507,606
		<u>13,218,984</u>	<u>9,807,422</u>
Creditors: amounts falling due within one year	14	<u>(11,888,804)</u>	<u>(8,443,450)</u>
Net current Assets		<u>1,330,180</u>	<u>1,363,972</u>
Total assets less current liabilities		8,618,639	7,868,262
Creditors: amounts falling due after more than one year	15	(7,505,604)	-
Provisions for liabilities	17	<u>(59,937)</u>	<u>(72,394)</u>
Net assets		<u>1,053,098</u>	<u>7,795,868</u>
Capital and reserves			
Called up share capital	19	338,101	338,101
Retained earnings		714,997	7,457,767
Total shareholders' funds		<u>1,053,098</u>	<u>7,795,868</u>

The notes on pages 12 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 23 July 2021 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 2020

	Called up share capital £	Retained earnings £	Total shareholders' funds £
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
Balance as at 1 January 2020	338,101	7,457,767	7,795,868
(Loss) for the financial year	-	(6,742,770)	(6,742,770)
Total comprehensive income for the year	-	(6,742,770)	(6,742,770)
Balance as at 31 December 2020	338,101	714,997	1,053,098

DIVERSIFIED BUSINESS COMMUNICATIONS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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 and Peterborough.

The company is a private company limited by shares and is incorporated and domiciled in England. The address of its registered office and principal place of business 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, who have confirmed support will continue for the foreseeable future. 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.

Given the impact the Covid-19 pandemic has had on the company's trading performance in 2020 and the continued uncertainty over when exhibitions venues will be allowed to open in 2021, the company has looked at a number of trading scenarios, discussed these with its parent company and with its bankers and has put a plan in place to manage these expectations in all cases and has agreed the financing required to deliver these outcomes.

Therefore, after making enquiries and with the parent company support confirmed, 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.

DIVERSIFIED BUSINESS COMMUNICATIONS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

(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.

3 Summary of significant accounting policies (continued)

(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.

(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.

DIVERSIFIED BUSINESS COMMUNICATIONS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

(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.

DIVERSIFIED BUSINESS COMMUNICATIONS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

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.

DIVERSIFIED BUSINESS COMMUNICATIONS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

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.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

(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.

DIVERSIFIED BUSINESS COMMUNICATIONS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

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.

(t) Government grants

Grants of a revenue nature are recognised in the statement of comprehensive income in the same period as the related expenditure. During the year the company received assistance from the coronavirus job retention scheme.

DIVERSIFIED BUSINESS COMMUNICATIONS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

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.

(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

	2020	2019
	£	£
Sales of exhibition services	243,812	17,722,155
Sales of publications, eMedia and other services	695,473	1,359,396
	<u>939,285</u>	<u>19,081,551</u>
United Kingdom	907,718	12,841,509
Outside of the United Kingdom	31,567	6,240,042
	<u>939,285</u>	<u>19,081,551</u>

DIVERSIFIED BUSINESS COMMUNICATIONS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

6	Operating profit	2020 £	2019 £
	Operating profit is stated after charging/(crediting):		
	Amortisation of intangible assets	1,119,083	1,027,997
	Depreciation of tangible fixed assets	161,385	153,698
	Loss on disposal of tangible assets	6,881	19,499
	Operating lease rentals	317,560	161,118
	Fees payable to the Company's auditors for the audit of the financial statements	20,000	20,000
	Fees payable to the Company's auditors for other services:		
	• Tax compliance services	4,500	4,500
	• Other services	900	900
	Government grant income	843,908	-

7 Employees and directors

Employees

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

	2020 No.	2019 No.
By Activity:		
Sales and marketing	56	75
Production and operations	29	30
Administration	16	15
	101	120

	2020 £	2019 £
Employment costs		
Wages and salaries	4,702,551	5,106,903
Social security costs	458,062	531,467
Other pension costs	192,296	212,761
	5,352,909	5,851,131

Directors

The directors' emoluments were as follows:

	2020 £	2019 £
Aggregate emoluments (highest paid director £203,950 (2019: £312,767)	324,584	453,667
Aggregate amounts receivable under long-term incentive schemes (and highest paid director).	-	-
	324,584	453,667

Two directors (2019: two) are members of a defined contribution scheme and one director (2019: 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.

DIVERSIFIED BUSINESS COMMUNICATIONS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

8	Net interest income	2020 £	2019 £
	(a) Interest receivable and similar income		
	Bank interest received	4,128	10,688
	(b) Interest payable and similar expenses		
	Bank and HM Revenue Customs VAT interest paid	(18,966)	-
	(c) Net interest income	<u>14,838</u>	<u>10,688</u>

9	Tax on profit	2020 £	2019 £
	(a) Tax expense included in profit or loss		
	Current tax:		
	U.K. corporation tax on profits for the year	-	708,618
	Adjustment in respect of prior years	(708,616)	(8,397)
	Total current tax	<u>(708,616)</u>	<u>700,219</u>
	Deferred tax:		
	Origination and reversal of timing differences	(12,457)	35,511
	Total deferred tax	<u>(12,457)</u>	<u>35,511</u>
	Total tax on profit	<u>(721,073)</u>	<u>735,730</u>

(b) Reconciliation of tax charge

Factors affecting the tax charge for the year

The tax assessed for the year is the same as (2019: higher) the standard rate of corporation tax in the UK for the year ended 31 December 2020 of 19.00% (2019: 19.00%). The differences are explained below:

	2020 £	2019 £
(Loss)/profit before taxation	(7,453,601)	2,769,014
(Loss)/profit before taxation multiplied by standard rate of UK corporation tax of 19.00% (2019 – 19.00%)	-	526,113
Effects of:		
Expenses not deductible for tax purposes	(12,457)	219,193
Deferred tax on assets acquired	-	(1,178)
Adjustment in respect of prior years	(708,616)	(8,398)
	<u>721,073</u>	<u>735,730</u>

DIVERSIFIED BUSINESS COMMUNICATIONS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

9 Tax on profit - continued

The standard rate of corporation tax in the UK is 19% and therefore the Company's profits for this financial year are taxed at an effective rate of 19.00% (2019: 19.00%).

A change to the main UK corporation tax rate, announced in the Budget on 11 March 2020, was substantively enacted for IFRS and UK GAAP purposes on 17 March 2020. The rate applicable from 1 April 2020 now remains at 19%, rather than the previously enacted rate of 17%. Accordingly, the relevant deferred tax balances at 31 December 2020 have been measured using the future UK Corporation tax rate of 19%.

10 Intangible assets

	Trade names	Goodwill	Total
	£	£	£
Cost			
At 1 January 2020	3,019,885	9,597,713	12,617,598
Additions	80,000	1,941,688	2,021,688
Disposals	-	-	-
At 31 December 2020	3,099,885	11,539,401	14,639,286
Accumulated amortisation			
At 1 January 2020	2,812,218	3,897,262	6,709,480
Charge for the year	84,000	1,035,083	1,119,083
Disposals	-	-	-
At 31 December 2020	2,896,218	4,932,345	7,828,563
Net book value			
At 31 December 2020	203,667	6,607,056	6,810,723
At 31 December 2019	207,667	5,700,451	5,908,118

The company acquired the goodwill and trading assets of the Aquaculture Show on the 7th February 2020 for a consideration of £2,021,688. The goodwill acquired will be amortised over a period of ten years.

Deferred contingent consideration (note 15) is based on target revenue, as specified in the contract, for the next edition of the event.

DIVERSIFIED BUSINESS COMMUNICATIONS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

11 Tangible assets

	Leasehold improvements £	Office equipment £	Total £
Cost			
At 1 January 2020	285,338	715,822	1,001,160
Additions	-	50,075	50,075
Disposals	-	(50,485)	(50,485)
At 31 December 2020	<u>285,338</u>	<u>715,412</u>	<u>1,000,750</u>
Accumulated depreciation			
At 1 January 2020	10,914	394,073	404,987
Charge for the year	28,534	132,851	161,385
Disposals	-	(43,358)	(43,358)
At 31 December 2020	<u>39,448</u>	<u>483,566</u>	<u>523,014</u>
Net book value			
At 31 December 2020	<u>245,890</u>	<u>231,846</u>	<u>477,736</u>
At 31 December 2019	<u>274,424</u>	<u>321,748</u>	<u>596,172</u>

12	Stocks	2020 £	2019 £
	Work in progress	<u>339,311</u>	<u>327,237</u>
13	Debtors	2020 £	2019 £
	Trade debtors	1,835,979	2,648,497
	Amounts owed by group undertakings	2,030,023	2,978,518
	Other debtors	<u>2,021,602</u>	<u>1,345,564</u>
		<u>5,887,604</u>	<u>6,972,579</u>

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

DIVERSIFIED BUSINESS COMMUNICATIONS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

14 Creditors: amounts falling due within one year	2020 £	2019 £
Trade creditors	15,535	162,713
Corporation tax	-	534,616
Other taxation and social security	362,659	454,799
Other creditors	42,071	10,442
Accruals and deferred income	<u>11,468,539</u>	<u>7,280,880</u>
	<u>11,888,804</u>	<u>8,443,450</u>

At 31 December 2020 the company had outstanding pension contributions totalling £nil (2019: £172) included within other creditors.

15 Creditors: amounts falling due after more than one year	2020 £	2019 £
Other creditors	<u>7,505,604</u>	<u>-</u>

Included within other creditors is £505,604 (2019: £nil) of contingent consideration payable on the acquisition of Aquaculture arising during 2020.

Included within other creditors is £7,000,000 (2019: £nil) in respect of an HSBC Coronavirus Large Business Interruption Loan, repayable in instalments from June 2022 to September 2023 with interest calculated under Libor. This loan is subject to a £4,000,000 intercompany parent company guarantee in favour of HSBC given from Diversified Communications.

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 2020 was £7,000,000 (2019: £nil).

16 Financial instruments	2020 £	2019 £
Financial assets		
Financial assets that are debt instruments measured at amortised cost	<u>4,113,245</u>	<u>5,855,515</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>7,742,157</u>	<u>862,544</u>

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.

DIVERSIFIED BUSINESS COMMUNICATIONS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

17 Provisions for liabilities

	Deferred tax liability £
Balance at 1 January 2020	72,394
Statement of comprehensive income movement	<u>(12,457)</u>
Balance at 31 December 2020	<u>59,937</u>

The deferred tax liability is made up as follows:

	2020 £	2019 £
Accelerated capital allowances	62,558	74,769
Other timing differences	<u>(2,621)</u>	<u>(2,374)</u>
	<u>59,937</u>	<u>72,394</u>

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:

	2020 £	2019 £
Contributions payable by the company for the year	<u>391,309</u>	<u>432,783</u>

19 Called up share capital

	2020 £	2019 £
Allotted, called up and fully paid		
338,101 (2018: 338,101) Ordinary shares of £1 each	<u>338,101</u>	<u>338,101</u>

DIVERSIFIED BUSINESS COMMUNICATIONS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

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	
	2020	2019	2020	2019
	£	£	£	£
Payments due:				
Not later than one year	272,250	247,460	28,907	30,099
Later than one year and not later than five years	1,025,728	1,229,272	12,166	30,336
Later than five years	<u>897,512</u>	<u>1,201,398</u>	<u>-</u>	<u>-</u>
	<u>2,195,490</u>	<u>2,678,130</u>	<u>41,073</u>	<u>60,435</u>

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 2020 and 2019 to comprise of: C Holm and P Warren.

Total compensation was £275,360 (2019: £388,299).

Transactions with G Holm (director's wife)

Transactions involve purchases from G Holm for consultancy services of £10,500 (2019: £19,632).

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