

**Closerstill Media 1 Limited**  
**Unaudited Annual Report and Financial Statements**  
**For the year ended 31 December 2019**



**Closerstill Media 1 Limited**  
**Annual Report and Financial Statements**  
**Year ended 31 December 2019**

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# **Closerstill Media 1 Limited**

## **Officers and Professional Advisers**

### **The board of directors**

P J Nelson  
P W Soar  
M J Westcott  
S J King

### **Company secretary**

S J King

### **Registered office**

Suite 17, Exhibition House  
Addison Bridge Place  
London  
England  
W14 8XP

# Closerstill Media 1 Limited

## Strategic Report

### Year ended 31 December 2019

The directors submit their strategic report for CloserStill Media 1 Limited for the year ended 31 December 2019.

#### Principal activities

The principal activity of the Company during the year was to act as an intermediate holding company within the CloserStill Group Limited (formally CSM Topco Limited) Group of companies.

#### Review of business performance and key performance indicators

	2019 £000	2018 £000
Interest payable	—	5,770
Loss before taxation	6	6,134

The business performance of the Company is entirely dependent on the trading performance from the exhibitions managed by the Company's subsidiaries. The directors monitor profitability and cash generation on a CloserStill Group wide basis.

The Group had another very successful year and reported underlying year on year growth in revenue of 16.9% and an absolute increase including the impact of acquisitions of 19.5%. The Group also maintained a strong EBITDA margin of 29.9% (2018: 35.4%).

The strong growth was achieved from a combination of new shows being launched and acquired as well as organic growth in existing shows. New launches in 2019 were across the Vet, Healthcare and Technology portfolios. Core to the Group's strategy is to continue to clone UK successful events such as the Vet shows into new geographies and to constantly evolve existing events, particularly by keeping pace with the dynamic nature of the technology sector. Organic growth was generated across the portfolio with notable revenue growth contributed by the 2018 acquisitions demonstrating the Group's ability to enhance the performance of acquired events in the first year of ownership Dev Learn in Las Vegas delivered 28% revenue growth. Learning Technologies Paris, a 2017 acquisition, delivered 76% revenue growth, with both acquisitions delivering strong EBITDA conversion. Other organic growth came from Learning Technologies UK event which moved from Olympia to Excel in London.

The Closerstill Group is now financed by bank loans provided by Hayfin Services LLP and extended to CloserStill Exhibitions Limited (formally CSM Acquisition Limited). The bank loans are subject to both financial and informational requirements, including the requirement for the submission of quarterly compliance certificates.

Operating cashflow remained strong in 2019 with net cash generated from operating activities of £16.2 million. Underlying 12 months cash conversion from EBITDA was 106%.

# **Closerstill Media 1 Limited**

## **Strategic Report *(continued)***

### **Year ended 31 December 2019**

#### **Going concern and impact of Covid-19**

The Group continued to trade very strongly into Q1 2020 before being impacted by Covid-19 from the end of March. Shortly after the UK went into lockdown it became apparent that no further events would be able to run across the Group through to at least the end of June 2020. CloserStill Group responded to the Covid-19 outbreak by reviewing what, if any, physical events can continue. All physical events since 13th March through to 31 March 2021 have now been postponed later into 2021. All events are under constant review with monitoring of local government rules and the activities of exhibition centres. The Excel, NEC and The Javits venues have all been used as temporary hospitals supporting the Covid-19 pandemic. However, despite the obstacles to running physical events, the Group has initiated a programme of digital event activities across its portfolio which are expected to generate further revenues.

The Group has modelled various scenarios and management has worked closely with Providence Equity Partners, the majority owner, and Hayfin Services LLP, the principal lender, to agree an amendment to the Senior Finance Agreement (SFA), which ensures the Group, under a no event scenario for 2020, has sufficient liquidity and remains within banking covenants.

The board developed a very prudent base case scenario of the likely impact of COVID-19 on the Group's results for 2020. In preparing this analysis, the following key assumptions were used: no physical or virtual/online events from 12th March 2020 through to the end of the financial year, significant refunds, and a reduction in the fixed cost staff base including the utilisation of government schemes both in the UK and overseas. Management continue to review their assumptions and monitor for updates to local regulations and continue to report that the group is outperforming the plan.

The board have developed a further extreme but plausible downside scenario in order to assess the Group's ability to continue as a going concern. This scenario is so extreme, but ultimately plausible, assuming it will not be possible to run any physical, or virtual events in the next 12 months, with an offset of further fixed base cost reductions.

To mitigate the risk of any potential liquidity or covenant breaches that could have arisen from these scenarios, the Group entered into a temporary SFA amendment. The agreed amendment principally provides for favourable specific coronavirus-related adjustments to use the adjusted last twelve months EBITDA for all events that were scheduled to run and did not run as expected. The coronavirus adjustments run through to the end of June 2021 to ensure covenant tests are met during this period.

A Bridge Liquidity arrangement is also in place through a PEP Equity Commitment Letter (with an availability of funds of no less than £32m) for general corporate and working capital purposes of the Group to ensure it maintains a minimum liquidity of £5m within the Group at each month end. The Bridge Liquidity arrangement is in place for an open ended period to ensure there will be no liquidity issues for the foreseeable future until such point that the group can maintain liquidity to £5m and achieve covenants without the use of coronavirus adjustments to EBITDA. The Bridge Liquidity arrangement is also guaranteed by Citibank Europe PLC.

The temporary amendment to the SFA includes additional informational requirements around liquidity and cash flow forecasting. Under the amended SFA, no issues with liquidity or breaches in covenant compliance are forecast throughout the next twelve months from the date of approving the financial statements. This means that even in an extreme scenario where no events were to occur for at least the next 15 months, CloserStill maintains sufficient liquidity and funding as needed to support covenant compliance throughout the entire period.

Management's current view is that whilst it expects continued significant disruption to its event calendar through to quarter 1 2021, it is expected to be possible to undertake a full portfolio of events in 2021 and substantial online activity in 2020.

# **Closerstill Media 1 Limited**

## **Strategic Report** *(continued)*

**Year ended 31 December 2019**

### **Covid-19 and 2021 Outlook**

The main risks to the Group are general economic conditions as well as the obvious impact of a 'black swan event' such as Covid-19 which have affected the Group's performance post year end and the Group's short term forecasted ongoing performance significantly. The Group has a balance of strong, established trade brands such as the Learning Technologies UK event, Ecommerce, Dev Learn, Data Centre World, the Dentistry Show; and the London Vet Show, which it considers are all number one events in their field. Management believes its events operate in strong verticals with significant resilience. This is especially shown in the learning technologies, technology infrastructure, healthcare and e-commerce sectors which are expected to grow post pandemic.

Alongside strong verticals, the Group is accelerating its development of online event activity. These online events are aimed at keeping close to customers and providing needed digital content.

CloserStill Group benefits from a flexible cost base and has been able to adapt to a reduced event stream. The Group has taken advantage of all government support available in all operating countries including the furlough schemes in the UK, Spain and Germany, job security schemes in Asia and deferring tax payments including VAT, Social Security and Corporation tax where rules allow. The Group is reviewing its ongoing personnel costs given the inevitable reductions in revenue it has forecasted. By utilising its flexible cost base, as well as accelerating online activities, the Group can plan for periods of elongated physical event "blackout" should that be required.

The Group continues to explore opportunities to expand outside of the UK, particularly in the US, but also within Continental Europe. The directors continue to strive for innovation in marketing and show features to ensure continued growth in all existing shows, as well as actively seeking expansion opportunities via new show acquisitions and launches.

The Group's operating structure is flexible to changes in the level of income and activity. The show events are spread across several industry sectors and geographies, and phased throughout the annual period which facilitates the maintenance of sufficient cash reserves.

There continues to be political risks and uncertainty around Brexit. The Group continues to monitor the political landscape. However, the Group believes the risk to its operations and customer demand to be low given the nature of the business.

### **Results and dividends**

The loss for the year and total comprehensive expense was £8k (2018: £6,134k). The directors do not recommend a dividend and none was paid during the year (2018: £Nil).

### **Financial risks**

The Company's principal financial instruments comprise of amounts receivable and payable from and to other CloserStill group companies. The financial position of the Company is managed on a group basis by the directors of CloserStill Group Limited (formally CSM Topco Limited). The Group and therefore the Company has sufficient available financing facilities and remains strongly cash generative.

# **Closerstill Media 1 Limited**

## **Strategic Report *(continued)***

**Year ended 31 December 2019**

### **Environment**

CloserStill Group encourages all individual businesses within the Group to take steps to consider and improve their environmental impact. This includes considering the impacts relating to suppliers, customers, employees and critically how we manage our events.

The Group's supplier selection process includes reviewing a prospective supplier's sustainability policy as part of a tender process before awarding any contracts. Key contractors for building the events include Freeman (US) which has APEX/ASTM Level 2 Certification (the standard recognises companies that are helping customers execute sustainable events that not only meet but exceed event industry standards). GES (UK) is the first global full-service events provider to earn both APEX/ASTM Level 2 2 Certification in the US and ISO 20121 in the UK.

Key Suppliers include the venues and specifically the NEC and Excel have strong sustainability values with examples including:

- Zero waste to landfill with an average recycle rate of 80%.
- Waste not travelling further than 30 miles from site.
- Energy efficient lighting and escalators.
- Reduced water consumption through automated taps.
- Food waste used for onsite wormery.

Across the Group local suppliers are engaged to support the local economy of each event. Local staff and temporary staff are used to support overseas events limiting the level of long haul, or even short haul, travel.

Employees are asked to recycle waste throughout all of the Group's offices. The Group offers employees cycle to work schemes to encourage fitness and reduce local commuting, with showers available in the offices for those that choose to cycle to work. The Group uses online meeting tools to keep travel to a minimum.

Event supplies where possible are recycled or can be reused. In Singapore all aisle carpet is recycled, in the UK the carpet once used is made into other plastic products rather than going to landfill. Shell scheme is the preferred product in most booths which is then reused for other events. Furniture and features are all reusable. Exhibitor manuals are all online and orders are paperless, catalogues for delegates are also available online to encourage a lower print requirement.

Specific events include their own Green policies, for example The London Vet Show replaced plastic water cups with reusable and recyclable water bottles on water coolers; one-use carpet and left over pens and food are all donated to charity; there is a recycling point for delegates to drop off any recyclable papers and literature; food that cannot be donated to charity is passed to the Excel wormery; encourages exhibitors to be sustainable through running competitions for best use of recycled show collateral.

# **Closerstill Media 1 Limited**

## **Strategic Report *(continued)***

**Year ended 31 December 2019**

### **CloserStill's Business Relationships**

#### *Employees*

The CloserStill Group is committed to providing a great place to work in for our people in which to develop a rewarding and fulfilling career. The focus on our people has never been greater, and we consider our people, and the way we organise, train, engage and motivate them, as a critical competitive advantage. In February 2020, the CloserStill Group featured in the Sunday Times '100 Best Companies to work for' list for the third year running, and we hope to continue to receive such achievements in the future.

The CloserStill Group aims to focus on employee engagement. We have worked hard to communicate openly and well with our employees as we recognise effective communication is a key part of building stronger levels of employee engagement. We share business news, successes and updates with employees frequently and invite feedback from our people as we know that how our people feel and how they are engaged ultimately drives business performance. We believe in transparency with our employees so we send round weekly reporting on sales numbers and delegate registrations/revenue to everyone.

We regularly engage with our teams through quarterly company meetings where we update on performance, introduce new starters, announce promotions, etc. We run annual awards for best sales, best operations, best finance, best marketing and best team where we acknowledge excellence in their fields which are announced at our Christmas party. We also run an employee of the quarter where the employees nominate their colleagues and then vote for the winner.

As we continue to grow and develop the business, we are always interested in speaking to talented and passionate people who want to build a career in events. We run active graduate schemes in London, Singapore, and New York and are also interested in hearing from experienced event professionals wanting to join our winning team.

Diversity and an employee base that brings different perspectives, backgrounds and ways of thinking is very important to our business. Fair consideration is given to all applications, including from those with disabilities. We make all reasonable efforts to be able to continue to employ those who become disabled during employment.

#### *Shareholders*

Providence Equity Partners are majority shareholders with a 65% controlling stake in the CloserStill Group. Management and employees hold the remaining 35%. The Board meets monthly to discuss the trade and operation of the Group with key strategy and decisions being discussed and agreed as part of these meetings. All acquisition considerations and longer term plans are set out and approved with the support of Providence. The Board communicates to the employee shareholders quarterly at group employee update meetings. The company also ensures a cascade of information where appropriate.

# Closerstill Media 1 Limited

## Strategic Report *(continued)*

Year ended 31 December 2019

### CloserStill's reputation in the Industry

In the last 10 years, CloserStill has been repeatedly recognised as a leading innovator within the Exhibition Industry and has won more awards than any other event business in the industry. CloserStill has won over 30 awards to date across the available categories with the 2 key winning categories being Best Trade Show (7 times) and Best Marketing (8 times). The awards are due to the people and teams that work together to deliver the events ensuring customer service and satisfaction. The accolades include: Best Marketing Manager (five years in succession), Best Trade Show, Best Launch Exhibition, Best Marketing Campaign, Best Brand Extension, Industry Rising Star (two years in succession), Best Operations team, Best Sales Person and Management Team of the Year. CloserStill was voted the 'Most Respected Company of the Year' at the 2016 Association of Event Organisers Excellence Awards.

CloserStill looks to run, launch or acquire the number 1 event in the sector and geography that it operates in. We review our products, events and customer service on an ongoing basis with post event surveys and content reviews ensuring we provide the most appropriate content for the audience and the best possible networking ability for delegates and exhibitors.

### Directors' Duties - Compliance with s.172 of the Companies Act 2006

Section 172 of the Companies Act 2006 ("s.172") requires directors to promote the success of the Company for the benefit of the members as a whole and in doing so have regard to the interest of the stakeholders including customers, employees, suppliers and the wider community in which it operates. The Board is focused on its responsibilities under s.172 and the impact of the business on key stakeholder groups is considered on a regular basis. The below table identifies where in the Annual Report information on factors the Board believe demonstrate its compliance with section 172(a)-(f) are set out in more detail.

<b>The Board has had regard to the following matters:</b>	<b>More information:</b>
<b>(a) Long-term results</b> -the likely consequences of any decision in the long term	<b>Strategic Report:</b> Principle activities, <b>Page 2</b> Review of business performance & key performance indicators, <b>Page 2</b> Going concern and impact of Covid-19, <b>Page 3-4</b> Results and Dividends, <b>Page 4</b> Financial risk management, <b>Page 4</b>
<b>(b) Our workforce</b> -the interest of the Company's employees	<b>Strategic Report:</b> CloserStill's business relationships, <b>Page 6</b>
<b>(c) Our business relationships</b> -the importance of the Company's business relationships	<b>Strategic Report:</b> CloserStill's business relationships, <b>Page 6</b>
<b>(d) The community and environment</b> - the impact of the Company's operations on the community and the environment	<b>Strategic Report:</b> Environment, <b>Page 5</b>
<b>(e) The company's reputation</b> - the desire to maintain a reputation for high standards of business conduct	<b>Strategic Report:</b> CloserStill's reputation in the Industry, <b>Page 7</b>
<b>(f) Fairness between Shareholders</b> -the aim to act fairly as between members of the Company	<b>Strategic Report:</b> CloserStill's business relationships, <b>Page 6</b>

# **Closerstill Media 1 Limited**

## **Strategic Report** *(continued)*

**Year ended 31 December 2019**

This report was approved by the board of directors on 30/11/2020 and signed on behalf of the board by:



Ms S King  
Director

Registered office:  
Suite 17, Exhibition House  
Addison Bridge Place  
London  
England  
W14 8XP

# **Closerstill Media 1 Limited**

## **Directors' Report**

### **Year ended 31 December 2019**

The directors present their report and the unaudited Financial Statements of the company for the year ended 31 December 2019.

#### **Principal activities**

The principal activity of the Company during the year was to act as an intermediate holding company within the CloserStill Group Limited (formally CSM Topco Limited) Group of companies.

#### **Directors**

The directors who served the company during the year were as follows:

P J Nelson  
P W Soar  
M J Westcott  
S J King

#### **Dividends**

The directors do not recommend a dividend and none was paid during the year (2018 - £Nil).

#### **Future developments**

The Company's Strategic Report sets out the major events of the period 1 January 2019 to 31 December 2019, their expected impact on future periods and since the year end, including the impact of COVID-19. Enquiries and booking for existing and new events have continued beyond 31 December 2019, albeit at a lower level due to COVID-19.

#### **Directors indemnities**

As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third-party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the current period. A fellow group company also purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of the Company and its Directors.

#### **Events after the balance sheet date**

From the end of March 2020, the Group has been adversely affected by the global COVID-19 pandemic. As such, a temporary amendment to the Senior Financing Agreement has been agreed upon by Providence Equity Partners (PEP) and Hayfin Services LLP, whereby a coronavirus-related adjustment shall be made to covenant EBITDA related to all events scheduled through to June 2021, to enable compliance with those covenants.

A Bridge Liquidity arrangement is also in place through a PEP Equity Commitment letter (with an availability of no less than £32m) for general corporate and working capital purposes of the Group to ensure it can maintain a minimum liquidity of £5m within the Group at each month end until such point that the Group can maintain liquidity to £5m and achieve covenants without the use of coronavirus adjustments to EBITDA. The Bridge Liquidity arrangement is also guaranteed by Citibank Europe PLC.

# Closerstill Media 1 Limited

## Directors' Report *(continued)*

### Year ended 31 December 2019

#### Going concern

At 31 December 2019, the Company had net current liabilities of £17,795k (2018: £17,787k), net liabilities of £17,692k (2018: £17,684k) and made a loss before tax of £6k (2018: £6,134k). The directors consider the Company to be a going concern on the basis that results of the Company since 31 December 2019 and forecasts prepared indicate that the Company is able to operate within its current facilities and with the support provided by the Group.

As part of the Group's assessment of going concern, the following has been considered: At 31 December 2019, the Group's financing arrangements consist of a £110m term loan, a £35m CAPEX facility of which £5.1m had been drawn down, a £5m revolving credit facility and £6.5m of management loan notes. A further draw down of the CAPEX facility was undertaken on 10 January 2020 to fund the acquisition of Spring Messe and then a second drawdown on 28 May 2020 for the 2020 capex and reorganisation requirements, with the main requirement being to support the ERP improvement project.

In response to COVID 19, the Group have modelled various scenarios (described below). To mitigate the risk of any potential liquidity or covenant breaches that could have arisen from these scenarios, management have worked with Providence Equity Partners (PEP) to develop a temporary amendment to the Senior Finance Agreement (SFA) with Hayfin Services LLP, the principal lender, which ensures that, under the scenarios described below, sufficient liquidity and covenant compliance is maintained throughout the going concern period. As part of this agreement, the Group has secured a liquidity commitment from their majority owners (note 14).

The Group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Group, under the revised terms of the SFA, will be able to operate within the level of its facilities for at least 12 months from the approval date of these Consolidated Financial Statements. Accordingly, the Group continues to adopt the going concern basis in preparing its Consolidated Financial Statements.

The uncertainty as to the future impact on the Group of the recent COVID-19 outbreak has been considered as part of the Group's adoption of the going concern basis. The board has developed a base case scenario of the likely impact of COVID-19 on the Group's results. In preparing this analysis the following key assumptions were used: no physical or virtual/online events from 12th March 2020 through to the end of the financial year, significant refunds, and a reduction in the fixed cost staff base including the utilisation of government schemes both in the UK and overseas. Management continue to review their assumptions and monitor for updates to local regulations and continue to report that the group is outperforming the plan, but have the expectation that social distancing measures are expected to continue in some form through to the end of December 2020 and therefore the stress test scenario is that no events will be able to run this year in their current form. Under this scenario, the Group does not forecast to breach any financial covenant under the revised terms of the SFA.

The board have developed a further extreme but plausible downside scenario in order to assess the group's ability to continue as a going concern. This scenario is so extreme, but ultimately plausible, assuming it will not be possible to run any physical or virtual events in the next 12 months, with an offset of further fixed base cost reductions. Under this extreme downside scenario, the Group maintains sufficient liquidity and continued covenant compliance.

This extreme downside scenario is currently considered highly unlikely. However, it is difficult to predict the overall outcome and impact of COVID-19 at this stage.

# Closerstill Media 1 Limited

## Directors' Report *(continued)*

### Year ended 31 December 2019

Q1 Shows in 2020 performed strongly with the Learning Technology events delivering revenue growth of 10% in the UK and 29% in France. Both events had very strong rebook rates for 2021 and confidence remains as bookings continue to support the Q1 2021 events. The Group is also developing virtual and hybrid events to support its important customer base and to be able to continue to deliver great content to an audience who remain keen to stay up to date on CPD or latest technologies.

The initial assessment indicated the possibility of uncertainties in relation to the Group's ability to maintain sufficient liquidity and meet its covenant obligations. However, after reviewing the most recent projections and the sensitivity analysis and having carefully considered the uncertainty and the mitigating actions available with the support from PEP, the directors have formed the judgement that it is appropriate to prepare the financial statements on the going concern basis.

#### Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

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

The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

This report was approved by the board of directors on 30/11/2020 and signed on behalf of the board by:



Ms S King  
Director

Registered office:  
Suite 17, Exhibition House  
Addison Bridge Place  
London  
England  
W14 8XP

**Closerstill Media 1 Limited**  
**Statement of Comprehensive Income**  
**Year ended 31 December 2019**

	Note	2019 £000	2018 £000
Administrative expenses		<u>(6)</u>	<u>(364)</u>
<b>Operating loss</b>	<b>4</b>	<b>(6)</b>	<b>(364)</b>
Interest payable and similar expenses	<b>6</b>	<u>–</u>	<u>(5,770)</u>
<b>Loss before taxation</b>		<b>(6)</b>	<b>(6,134)</b>
Tax on loss	<b>7</b>	<u>(2)</u>	<u>–</u>
<b>Loss for the financial year and total comprehensive expense</b>		<u><b>(8)</b></u>	<u><b>(6,134)</b></u>

All the activities of the company are from continuing operations.

The company has no other recognised items of income and expenses other than the results for the year as set out above.

The notes on pages 15 to 23 form part of these Annual Report and Financial Statements.

# Closerstill Media 1 Limited

## Statement of Financial Position

31 December 2019

	Note	2019 £000	2018 £000
<b>Fixed assets</b>			
Investments	8	103	103
<b>Current assets</b>			
Debtors	9	75,518	75,525
Cash at bank and in hand		10	3
		<u>75,528</u>	<u>75,528</u>
<b>Creditors: amounts falling due within one year</b>	10	<u>(93,323)</u>	<u>(93,315)</u>
<b>Net current liabilities</b>		<u>(17,795)</u>	<u>(17,787)</u>
<b>Total assets less current liabilities</b>		<u>(17,692)</u>	<u>(17,684)</u>
<b>Capital and reserves</b>			
Called up share capital	11	—	—
Share premium account	12	100	100
Profit and loss account	12	<u>(17,792)</u>	<u>(17,784)</u>
<b>Total shareholders' deficit</b>		<u>(17,692)</u>	<u>(17,684)</u>

For the year ending 31 December 2019 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its Annual Report and Financial Statements for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of Annual Report and Financial Statements.

These Financial Statements on pages 12 to 23 were approved by the board of directors on 30/11/2020, and are signed on its behalf by:



Ms S King  
Director

Company registration number: 08012047

The notes on pages 15 to 23 form part of these Annual Report and Financial Statements.

**Closerstill Media 1 Limited**  
**Statement of Changes in Equity**

	Called up share capital £000	Share premium account £000	Profit and loss account £000	<b>Total £000</b>
<b>At 1 January 2018</b>	–	100	(11,650)	(11,550)
Loss for the year	–	–	(6,134)	(6,134)
<b>Total comprehensive expense for the year</b>	–	–	(6,134)	(6,134)
<b>At 31 December 2018</b>	–	100	(17,784)	(17,684)
Loss for the year	–	–	(8)	(8)
<b>Total comprehensive expense for the year</b>	–	–	(8)	(8)
<b>At 31 December 2019</b>	–	100	(17,792)	(17,692)

The notes on pages 15 to 23 form part of these Annual Report and Financial Statements.

# **Closerstill Media 1 Limited**

## **Notes to the Annual Report and Financial Statements**

**Year ended 31 December 2019**

### **1. General information**

The Company is a private company limited by shares, incorporated in England and Wales, United Kingdom. The address of the registered office is Suite 17, Exhibition House, Addison Bridge Place, London, W14 8XP, England.

The Company's principal activities are disclosed in the Strategic Report.

### **2. Statement of compliance**

These Annual Report and Financial Statements 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. Accounting policies**

#### **Basis of preparation**

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.

These financial statements are prepared on a going concern basis, under the historical cost convention.

The financial statements are prepared in sterling, which is the functional currency of the entity, and all monetary amounts have been rounded to the nearest £000.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the group and company 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 on page 19.

#### **Going concern**

At 31 December 2019, the Company had net current liabilities of £17,795k (2018: £17,787k), net liabilities of £17,692k (2018: £17,684k) and made a loss before tax of £6k (2018: £6,134k). The directors consider the Company to be a going concern on the basis that results of the Company since 31 December 2019 and forecasts prepared indicate that the Company is able to operate within its current facilities and with the support provided by the Group.

As part of the Group's assessment of going concern, the following has been considered: At 31 December 2019, the Group's financing arrangements consist of a £110m term loan, a £35m CAPEX facility of which £5.1m had been drawn down, a £5m revolving credit facility and £6.5m of management loan notes. A further draw down of the CAPEX facility was undertaken on 10 January 2020 to fund the acquisition of Spring Messe and then a second drawdown on 28 May 2020 for the 2020 capex and reorganisation requirements, with the main requirement being to support the ERP improvement project.

# Closerstill Media 1 Limited

## Notes to the Annual Report and Financial Statements *(continued)*

### Year ended 31 December 2019

#### 3. Accounting policies *(continued)*

In response to COVID 19, the Group have modelled various scenarios (described below). To mitigate the risk of any potential liquidity or covenant breaches that could have arisen from these scenarios, management have worked with Providence Equity Partners (PEP) to develop a temporary amendment to the Senior Finance Agreement (SFA) with Hayfin Services LLP, the principal lender, which ensures that, under the scenarios described below, sufficient liquidity and covenant compliance is maintained throughout the going concern period. As part of this agreement, the Group has secured a liquidity commitment from their majority owners (note 14).

The Group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Group, under the revised terms of the SFA, will be able to operate within the level of its facilities for at least 12 months from the approval date of these Consolidated Financial Statements. Accordingly, the Group continues to adopt the going concern basis in preparing its Consolidated Financial Statements.

The uncertainty as to the future impact on the Group of the recent COVID-19 outbreak has been considered as part of the Group's adoption of the going concern basis. The board has developed a base case scenario of the likely impact of COVID-19 on the Group's results. In preparing this analysis the following key assumptions were used: no physical or virtual/online events from 12th March 2020 through to the end of the financial year, significant refunds, and a reduction in the fixed cost staff base including the utilisation of government schemes both in the UK and overseas. Management continue to review their assumptions and monitor for updates to local regulations and continue to report that the group is outperforming the plan, but have the expectation that social distancing measures are expected to continue in some form through to the end of December 2020 and therefore the stress test scenario is that no events will be able to run this year in their current form. Under this scenario, the Group does not forecast to breach any financial covenant under the revised terms of the SFA.

The board have developed a further extreme but plausible downside scenario in order to assess the group's ability to continue as a going concern. This scenario is so extreme, but ultimately plausible, assuming it will not be possible to run any physical or virtual events in the next 12 months, with an offset of further fixed base cost reductions. Under this extreme downside scenario, the Group maintains sufficient liquidity and continued covenant compliance.

This extreme downside scenario is currently considered highly unlikely. However, it is difficult to predict the overall outcome and impact of COVID-19 at this stage.

Q1 Shows in 2020 performed strongly with the Learning Technology events delivering revenue growth of 10% in the UK and 29% in France. Both events had very strong rebook rates for 2021 and confidence remains as bookings continue to support the Q1 2021 events. The Group is also developing virtual and hybrid events to support its important customer base and to be able to continue to deliver great content to an audience who remain keen to stay up to date on CPD or latest technologies.

The initial assessment indicated the possibility of uncertainties in relation to the Group's ability to maintain sufficient liquidity and meet its covenant obligations. However, after reviewing the most recent projections and the sensitivity analysis and having carefully considered the uncertainty and the mitigating actions available with the support from PEP, the directors have formed the judgement that it is appropriate to prepare the financial statements on the going concern basis.

# Closerstill Media 1 Limited

## Notes to the Annual Report and Financial Statements *(continued)*

### Year ended 31 December 2019

#### 3. Accounting policies *(continued)*

##### Disclosure exemptions

In accordance with FRS 102, the Company has taken advantage of the exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows' - Presentation of a Statement of Cash Flow and related notes and disclosures
- Section 11 'Basic Financial Instruments' & Section 12 'Other Financial Instrument Issues' - Carrying amounts and interest expense for each category of financial instrument recognised in the Statement of Comprehensive Income and in other comprehensive income; and
- Section 33 'Related Party Disclosures' - Compensation for key management personnel

##### Consolidation

The Company has taken advantage of the exemption from preparing consolidated financial statements contained in Section 400 of the Companies Act 2006. Consequently, these financial statements present the financial position and financial performance of the Company as a single entity.

##### Taxation

The taxation expense represents the aggregate amount of 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 recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised and the liability is settled based on tax rates that have been enacted or substantively enacted at the reporting date. Deferred tax is not discounted.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that 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 the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

##### Investments

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

Interests in subsidiaries are assessed for impairment at each reporting date. Any impairments losses or reversals of impairment losses are recognised immediately in the Statement of Comprehensive Income.

# Closerstill Media 1 Limited

## Notes to the Annual Report and Financial Statements *(continued)*

Year ended 31 December 2019

### 3. Accounting policies *(continued)*

#### Cash and cash equivalents

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

#### Financial instruments

The Company has elected to apply the provision of Section 11 'Basic Financial Instruments' in full to all its financial instruments.

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument, and are offset only when the Company currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

#### Basic financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

#### Other financial assets

Other financial assets, including trade investments, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in the Statement of Comprehensive Income, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Trade debtors, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

#### Classification of financial liabilities and equity

Financial instruments are classified as liabilities and equity instruments according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

Bank loans are recorded at their fair value.

# Closerstill Media 1 Limited

## Notes to the Annual Report and Financial Statements *(continued)*

Year ended 31 December 2019

### 3. Accounting policies *(continued)*

#### Basic financial liabilities

Basic financial liabilities, including trade and other payables, bank loans and loans from fellow group companies that are classified as debt, 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 payments discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

#### Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in the Statement of Comprehensive Income in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge. Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

#### Critical accounting judgements and estimation uncertainty

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

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:

##### a) Going concern

The directors' assessment of the Company's ability to continue as a going concern involved the estimation of future sales, expenses, taxation and cash flows in order to meet its obligations as they fall due. The impact of COVID-19 on these results also involves the use of estimates. Both the timing and value of these estimates could have a significant impact on the Company.

Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

### 4. Operating loss

Operating loss is stated after charging:

	2019	2018
	£000	£000
Foreign exchange differences	—	352

Directors' remuneration and auditors' remuneration for statutory audit was borne by Closerstill Acquisitions Limited in the year ended 31 December 2019 and year ended 31 December 2018.

# Closerstill Media 1 Limited

## Notes to the Annual Report and Financial Statements *(continued)*

### Year ended 31 December 2019

#### 5. Particulars of employees

The average monthly number of persons employed by the company during the year, including the directors, amounted to:

	2019 No.	2018 No.
Management staff	4	4

The emoluments of the Directors are paid by CloserStill Acquisitions Limited, a fellow group company. The services of the Directors to this Company and to a number of fellow group companies are of a non-executive nature and their emoluments are deemed to be wholly attributable to the trading companies within the CloserStill Group Limited group. Accordingly, these financial statements include no emoluments in respect of the Directors.

#### 6. Interest payable and similar expenses

	2019 £000	2018 £000
Other interest payable and similar charges	—	5,770

#### 7. Tax on loss

##### Major components of tax expense

	2019 £000	2018 £000
<b>Current tax:</b>		
Adjustments in respect of prior periods	2	—
<b>Tax on loss</b>	<u>2</u>	<u>—</u>

##### Reconciliation of tax expense

The tax assessed on the loss for the year is higher than (2018: higher than) the standard rate of corporation tax in the UK of 19% (2018: 19%).

	2019 £000	2018 £000
Loss before taxation	(6)	(6,134)
Loss before taxation by rate of tax	(1)	(1,165)
Adjustment to tax charge in respect of prior periods	2	—
Group relief surrendered but not recharged	1	966
Expenses not deductible for tax purposes	—	199
<b>Tax on loss</b>	<u>2</u>	<u>—</u>

Changes to the UK corporation tax rates were substantively enacted as part of Finance Bill 2016 (on 6 September 2016). These include reductions to the main rate to reduce the rate to 17% from 1 April 2020. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

# Closerstill Media 1 Limited

## Notes to the Annual Report and Financial Statements (continued)

Year ended 31 December 2019

### 8. Investments

	Shares in group undertakings £000
<b>Cost</b>	
At 1 January 2019 and 31 December 2019	<u>103</u>
<b>Impairment</b>	
At 1 January 2019 and 31 December 2019	<u>—</u>
<b>Carrying amount</b>	
At 31 December 2019	<u>103</u>
At 31 December 2018	<u>103</u>

The Company held more than 20% of the ordinary share capital in following undertakings:

Company	Effective share holding	Registered	Principal activity
CloserStill Media 2 Limited	100%	England <sup>1</sup>	Intermediary holding company
*CloserStill Media 3 Limited	100%	England <sup>1</sup>	Intermediary holding company
*France Vet Limited	100%	England <sup>1</sup>	Organisation of exhibitions
*CloserStill Media Limited	100%	England <sup>1</sup>	Organisation of exhibitions
*CloserStill Learntech Asia Pte. Ltd	90%	Singapore <sup>2</sup>	Organisation of exhibitions
*Cloud Expo Asia Pte. Limited	100%	Singapore <sup>2</sup>	Organisation of exhibitions
*CloserStill Nominees Limited	100%	England <sup>1</sup>	Holder of employee shares
*CloserStill Powering The Cloud Ltd	100%	England <sup>1</sup>	Organisation of exhibitions
*Pharmagora Limited	100%	England <sup>1</sup>	Organisation of exhibitions
*CloserStill Media Hong Kong Ltd	100%	Hong Kong <sup>3</sup>	Organisation of exhibitions
*CloserStill Big Data Limited	100%	England <sup>1</sup>	Organisation of exhibitions
*CloserStill Vet US LLC	100%	USA <sup>4</sup>	Organisation of exhibitions
*CloserStill France SARL	100%	France <sup>5</sup>	Organisation of exhibitions
*Big Data World Europe GmbH	50.01%	Germany <sup>2</sup>	Organisation of exhibitions
*Closerstill France Limited	100%	England <sup>1</sup>	Intermediary holding company
*Closerstill MVM LLC	80%	USA <sup>7</sup>	Intermediary holding company
*Modern Veterinary Media Inc	80%	USA <sup>10</sup>	Organisation of exhibitions
*Wild West Veterinary Conference LLC	80%	USA <sup>10</sup>	Organisation of exhibitions
*Chicagoland Veterinary Conference LLC	80%	USA <sup>10</sup>	Organisation of exhibitions
*Closerstill Learning Technologies LLC	100%	USA <sup>7</sup>	Intermediary holding company
*CSM Learning LLC	100%	USA <sup>8</sup>	Organisation of exhibitions
*FocusZone Media Inc	80%	USA <sup>9</sup>	Organisation of exhibitions

# Closerstill Media 1 Limited

## Notes to the Annual Report and Financial Statements *(continued)*

Year ended 31 December 2019

### 8. Investments *(continued)*

The subsidiaries in the table above are included in the consolidated financial statements.

Key to the above table:

\*Held indirectly through subsidiaries of the Company.

<sup>1</sup>Address: Exhibition House, Addison Bridge Place, London, W14 8XP

<sup>2</sup>Address: 138 Cecil Street, 12-01A Cecil Court, Singapore 069538

<sup>3</sup>Address: 2201-07, Tower 2, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong

<sup>4</sup>Address: 33 Irving Place, New York, NY, 10003, USA

<sup>5</sup>Address: 115 Rue de Cardinet, 75017 Paris, France

<sup>6</sup>Address: 115 Rue de Cardinet, 75017 Paris, France

<sup>7</sup>Address: 1675 S State St Ste B, Dover, Kent, DE, USA, 19901

<sup>8</sup>Address: 3500 S Dupont Hwy, Dover, Kent, DE, USA, 19901

<sup>9</sup>Address: 8934 Oak Grove Ave, Sebastopol, CA, USA, 95472.

<sup>10</sup>Address: 10 S Jefferson St, ste 1400, Roanoke VA 24011

### 9. Debtors

	2019	2018
	£000	£000
Amounts owed by group undertakings	<u>75,518</u>	<u>75,525</u>

The amounts owed by group undertakings are unsecured, non-interest bearing, have no fixed date of repayment and are repayable on written demand by the Company.

### 10. Creditors: amounts falling due within one year

	2019	2018
	£000	£000
Bank loans and overdrafts	8	—
Amounts owed to group undertakings	93,316	93,316
Other creditors	(1)	(1)
	<u>93,323</u>	<u>93,315</u>

The amounts owed to group undertakings are unsecured, non-interest bearing, have no fixed date of repayment and are repayable on written demand by the counterparty.

# Closerstill Media 1 Limited

## Notes to the Annual Report and Financial Statements *(continued)*

Year ended 31 December 2019

### 11. Called up share capital

Issued, called up and fully paid

	2019		2018	
	No.	£	No.	£
<b>Amounts presented in equity:</b>				
A Ordinary shares of £0.0001 each	49,777	5	49,777	5
B Ordinary shares of £0.0001 each	25,223	3	25,223	3
C Ordinary shares of £0.0001 each	25,000	2	25,000	2
	<u>100,000</u>	<u>10</u>	<u>100,000</u>	<u>10</u>
<b>Amounts presented in liabilities:</b>				
Preference shares of £0.0001 each	350,431	35	350,431	35

The A Ordinary Shares, B Ordinary Shares and C Ordinary Shares rank pari passu in all respects of rights, voting and dividends but constitute separate classes of shares.

### 12. Reserves

Share premium account - This reserve records the amount above the nominal value received for shares sold, less transaction costs.

Profit and loss account - This reserve records retained earnings and accumulated losses.

### 13. Contingencies

The company has entered into a cross guarantee in respect of the bank loan facility with certain other fellow group undertakings. The indebtedness subject to this cross guarantee at the year end was £115,123,432 (2018: £110,000,000).

### 14. Events after the end of the reporting year

From the end of March 2020, the Group has been adversely affected by the global COVID-19 pandemic. As such, a temporary amendment to the Senior Financing Agreement has been agreed upon by Providence Equity Partners (PEP) and Hayfin Services LLP, whereby a coronavirus-related adjustment shall be made to covenant EBITDA related to all events scheduled through to June 2021, to enable compliance with those covenants.

A Bridge Liquidity arrangement is also in place through a PEP Equity Commitment Letter (with an availability of no less than £32m) for general corporate and working capital purposes of the Group to ensure it can maintain a minimum liquidity of £5m within the Group at each month end until such point that the Group can maintain liquidity to £5m and achieve covenants without the use of coronavirus adjustments to EBITDA. The Bridge Liquidity arrangement is also guaranteed by Citibank Europe PLC.

### 15. Controlling party

The immediate parent undertaking in the UK is CloserStill Acquisitions Limited. The ultimate parent undertaking in the UK is CloserStill Group Limited (formerly CSM Topco Limited). The ultimate parent undertaking and controlling party is Providence Equity Partners VIII L.P. (Cayman Islands), which is one of the holding companies for Providence Fund VIII.

The consolidated financial statements of CloserStill Group Limited (formally CSM Topco Limited) are the largest group in which the Company was consolidated for the year ended 31 December 2019. Copies of the consolidated financial statements are publicly available from Companies House, Crown Way, Cardiff, CF14 3UZ.