

COMPANY REGISTRATION NUMBER: 08012047

**Closerstill Media 1 Limited**  
**Unaudited Annual Report and Financial Statements**  
**For the year ended 31 December 2020**

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**Closerstill Media 1 Limited**  
**Annual Report and Financial Statements**  
**Year ended 31 December 2020**

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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 2020

The directors submit their strategic report for CloserStill Media 1 Limited for the year ended 31 December 2020.

#### 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

	2020 £000	2019 £000
Loss before taxation	5	6

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.

Due to Government enforced Covid-19 restrictions from March 2020 impacting our events across the globe, the group was not able to deliver any large scale physical events after March 12th 2020 through to the end of the financial year. The last physical event to run in March 2020 was the UK Tech event at Excel. The Group very quickly conceived and delivered a number of virtual events to support markets in its key verticals of Healthcare and Tech. Whilst this was a successful approach in maintaining engagement with our customer base, the absence of live face to face exhibitions adversely affected the results. Year on year decline in turnover was 74% (2019: growth of 16.9%); the decline including the impact of acquisitions was 73% (2019: growth of 19.5%). The Group reported a loss in EBITDA for the year (2019: profit £21.5m with year on year increased margin of 29.9%).

Core to the Group's strategy is to continue to clone the UK's successful events into new geographies and to constantly evolve existing brands, particularly by keeping pace with the dynamic nature of the technology sector. This has continued through the pandemic in the healthcare sector, with a number of new events being launched including BVA Live, Future Surgery and Oncology Professional Care. Covid restrictions through 2020 had an adverse impact on the running of all physical events and therefore the Group utilised digital methods to continue to deliver value to customers and support market engagement. The drive to digital also allowed the Group to successfully build circa 58,000 new contacts and strengthen its databases adding further value to 2021 and 2022 physical events.

During 2020 the business rolled out a new ERP system across the Group. The investment in improving financial control and business reporting was planned pre pandemic, however despite the reduced trading and cashflow the business made the positive decision to continue with the planned investment. The Unit 4 system has significantly reduced the complexity of numerous varying systems across the group and now allows for easier consolidation, reporting and forecasting with more efficiency across the Group Finance function. The system went live in the UK on 1 December 2020 with the other International Regions following on 1 July 2021.

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

On 10 January 2020 the Group utilised €15m of the acquisition facility bank loan, which is subject to interest at a rate of EURIBOR plus 5.25%, to fund the Spring Messe acquisition.

# **Closerstill Media 1 Limited**

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

**Year ended 31 December 2020**

### **Outlook**

Since September 2021, as government Covid related restrictions have generally eased across the globe, the Group has now run many successful physical events. Highlights have included the running in the UK of the recently acquired event London Dentistry Show at Olympia where the success of the event resulted in forward orders taken on-site for the 2022 event exceeding 200% of the total 2021 event orders.

The group has run physical events in 2021 in all the geographical markets it operates in, these have included the Clinical Pharmacy Congress at Excel London, Tech Show Paris, eShow Madrid and NY Vet along with further UK events at both the NEC and Excel such as Best Practice and Care Show, Occupational Therapy and the very well received London Vet Show.

All the events we have run since September 2021 have over delivered on our expectations and as such reinforces our view as to the undimmed demand for, and sustainability of, leading face to face events of the type that CloserStill operates. The group currently has an order book for 2022 that is in excess of the like for like point in the pre-Covid 2019/2020 cycle. We therefore consider it likely that the group could deliver revenues in 2022 in excess of that seen in 2019.

Management's current view is that whilst it expects some disruption to continue in its markets from Covid, it will be possible in 2022 to continue to run all events across the Group. Management are further confident in knowing that the Group's customers, exhibitors and delegates continue to demand as strongly as ever the face to face events that the Group operates, as demonstrated by the feedback to our recently run events and our current forward looking order book.

### **Results and dividends**

The loss for the year and total comprehensive expense was £5k (2019: £8k). The directors do not recommend a dividend and none was paid during the year (2019: £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 2020**

### **Environment**

CloserStill Group is committed to promoting sustainable corporate business practices, both within our offices and at our events. We encourage all individual businesses within the Group to take steps to consider and improve their impact as a whole, under a framework of 'People, Profit and the Planet'. This includes considering the impacts relating to customers, employees, suppliers and our investors in how we manage our events. Our work in this area is evolving as we re-establish live events following the disruption caused by the pandemic.

#### *Within the Offices*

The return to working from the offices has been managed in a Covid-safe environment and this has meant more cleaning of the premises throughout the day. The cleaning companies use environmentally friendly cleaning products to minimise the impact of this additional cleaning.

Employees are asked to recycle waste throughout the Group's offices. We are looking at energy saving efficiencies and have recently installed Smart meters in the London office.

The Group uses online meeting tools to keep travel to a minimum and employees are encouraged to use public transport where possible, when travelling to and from the office.

We have implemented printer controls to minimise unnecessary paper usage.

During the period of remote working, we have implemented an employee well-being programme and have introduced an Employee Assistance Programme to help employees who may be having difficulties at this time. We have trained Mental Health first aiders amongst the staff.

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.

#### *Within our Events*

The Events Industry has been working together to try to reduce the long-term environmental impact of running live events. This includes designing exhibitions stands with components that can be reused, re-using or re-cycling carpet, encouraging visitors to use public transport and minimising the food wastage from over ordering. The majority of marketing is now in digital rather than printed form. We aim to work with all our stakeholders to continue this progress.

# **Closerstill Media 1 Limited**

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

**Year ended 31 December 2020**

### *Suppliers*

Key Suppliers include the venues and specifically the NEC and Excel in the UK, Javits Centre and MGM Resorts in the USA and Marina Bay Sands in Singapore. These venues 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 HVAC, lighting and escalators.
- Reduced water consumption through automated taps and rainwater collection.
- Food waste used for onsite wormery.
- Green planted solar roof at Jarvits, to generate power, absorb rainwater and reduce heat build-up.

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) and Global Experience Specialists (GES) Ltd (UK). Freeman 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). Global Experience Specialists (GES) Ltd is the first global full-service events provider to earn both APEX/ASTM Level 2 Certification in the US and ISO 20121 in the UK. 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.

Event supplies where possible are recycled or 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.

Where catering is provided for visitors and delegates, we work with the venues to communicate expected attendance numbers so as to limit over ordering and thus wastage.

### *Customers*

Where possible we encourage exhibitors to take shell scheme stands or purpose-built stands with re-useable components and we are working with the stand builders to offer a wider range of 'turnkey' options.

For those customers who do choose 'freebuild' stands, we work with their contractors to ensure as much of the stand can be recycled as possible.

Furniture and electrical fittings on the stands provided by the official contractor are re-useable.

### *Employees*

Following employee initiatives, 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.

### *Build Back better*

As we return to live in-person events, CloserStill aims to put in place a medium-term sustainability plan with measurable targets and will report against these targets in future.

# Closerstill Media 1 Limited

## Strategic Report *(continued)*

Year ended 31 December 2020

### 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 17(1)(a)-(f) are set out in more detail.

The Board has had regard to the following matters:	More information:
<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> Results and Dividends, <b>Page 3</b> Financial risk management, <b>Page 3</b>  <b>Directors' Report:</b> Going concern, <b>Page 7-8</b>
<b>(b) Our workforce</b> -the interest of the Company's employees	<b>Strategic Report:</b> CloserStill's business relationships, <b>Page 4-5</b>
<b>(c) Our business relationships</b> -the importance of the Company's business relationships with suppliers, customers and others	<b>Strategic Report:</b> CloserStill's business relationships, <b>Page 4-5</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 3-5</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 business relationships, <b>Page 4-5</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 4-5</b>

This report was approved by the board of directors on ...6 December 2021.... 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** *(continued)*

### **Year ended 31 December 2020**

The directors present their report and the unaudited Annual Report and Financial Statements of the company for the year ended 31 December 2020.

#### **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 (2019 - £Nil).

#### **Future developments**

The Company's Strategic Report sets out the major events for the year to 31 December 2020, including the impact of COVID-19, and their expected impact on both future periods and subsequent to the 2020 year end to date. Enquiries and bookings for future editions of existing and new events are being taken, and these are increasing such that weekly bookings in September 2021 onwards are greater than at any point since February 2020.

#### **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**

There are no subsequent events to report after the balance sheet date.

#### **Going concern**

At 31 December 2020, the Company had net current liabilities of £17,799k (2019: £17,795k), net liabilities of £17,696k (2019: £17,692k) and made a loss before tax of £5k (2019: £6k). The directors consider the Company to be a going concern on the basis that results of the Company since 31 December 2020 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 at 31 December 2020, it has been considered that the Group's financing arrangements consist of a £110m term loan (2019: £110m term loan), a £35m (2019: £35m) CAPEX facility of which £17.1m (2019: £5.1m) had been drawn down, a £5m (2019: £5m) revolving credit facility and £7.2m (2019: £6.5m) of management loan notes. During the year, a drawdown 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**

## **Directors' Report *(continued)***

### **Year ended 31 December 2020**

The Group is ordinarily highly cash generative but due to Covid-19 related restrictions for most of 2020, and into 2021, generation of cash was significantly reduced. The Group has net current liabilities of £30.5m (2019: £21.6m) and made a loss before tax of £54.5m (2019: £24.3m) due to the impact of the excess of administrative expenses over revenue, and non-cash charges, mainly accrued interest on loan notes and amortisation of goodwill and intangible assets.

In response to COVID-19, the Group modelled various scenarios through March and April 2020 as reported in the Group Accounts for the year ended 31 December 2019. Management worked closely with Providence Equity Partners (PEP) to develop a temporary amendment to the Senior Finance Agreement (SFA) with Hayfin Services LLP, the principal lender, which ensured that, under all scenarios sufficient liquidity and covenant compliance would be maintained. Part of this support was a Bridge Liquidity arrangement through a PEP Equity Commitment Letter (with an availability of funds of no less than £32m) for general corporate and working capital purposes to ensure the Group maintains a minimum liquidity of £5m at each reporting period. The worst-case scenario as prepared last year included running no physical events through to September 2021 with an offset in cost savings. The actual results were significantly better due to the ability of the Group to pivot to digital which supported cashflow through new sales but also significantly reduced refunds over initial expectations. Whilst some redundancies were inevitable due to the pandemic they were minimised through the use of the UK and German furlough schemes allowing the Group to retain experienced staff for physical event planning through to 2021.

Through 2020 and into H1 2021 the Group ran a number of significant virtual events in the UK, US and Germany. The Group has run various digital online webinars but also delivered some smaller face to face events in Spain and Singapore working within Government guidelines.

Since September 2021, as government Covid related restrictions have generally eased across the globe, the Group has now run many successful physical events. Highlights have included the running in the UK of the recently acquired event London Dentistry Show at Olympia where the success of the event resulted in forward orders taken on-site for the 2022 event exceeding 200% of the total 2021 event orders.

The group has run physical events in 2021 in all the geographical markets it operates in, these have included the Clinical Pharmacy Congress at Excel London, Tech Show Paris, eShow Madrid and NY Vet along with further UK events at both the NEC and Excel such as Best Practice and Care Show, Occupational Therapy and the very well received London Vet Show.

All the events we have run since September 2021 have over delivered on our expectations and as such reinforces our view as to the undimmed demand for, and sustainability of, leading face to face events of the type that CloserStill operates. The group currently has an order book for 2022 that is in excess of the like for like point in the pre-Covid 2019/2020 cycle. We therefore consider it likely that the group could deliver revenues in 2022 in excess of that seen in 2019.

Management's current view is that whilst it expects some disruption to continue in its markets from Covid, it will be possible in 2022 to continue to run all events across the Group. Management are further confident in knowing that the Group's customers, exhibitors and delegates continue to demand as strongly as ever the face to face events that the Group operates, as demonstrated by the feedback to our recently run events and our current forward looking order book.

The Group has run various scenarios through to the end of 2022 to establish liquidity requirements and for covenants planning. Whilst the Group has proven it can run events in 2021 globally the Directors are aware that the situation could change, and this could have a significant impact on the liquidity and covenant projections. For this reason, management have again worked closely with PEP and Hayfin, to agree a further amendment to the SFA, which ensures the Group, under a no event scenario through to the end of March 2023, has sufficient liquidity and remains within banking covenants.

# Closerstill Media 1 Limited

## Directors' Report *(continued)*

### Year ended 31 December 2020

The agreement provides for a waiver on covenant submissions through to March 2023 with the first covenant test under the original 2018 SFA being due in June 2023. All liquidity tests and additional information agreed in the temporary amended SFA will continue.

A Bridge Liquidity arrangement was executed 2 July 2020 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 remains 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 with a leverage of 5x using EBITDA as calculated under normal accounting rules. The Bridge Liquidity arrangement is also guaranteed by Citibank Europe PLC. As at 31 December 2020 the Group had drawn £6m. To date the Group has drawn £17.5m and under a worst-case scenario does not forecast a need for more than £32m to maintain the £5m liquidity requirement. This means that even in an extreme scenario where no events were to occur before April 2022, CloserStill maintains sufficient liquidity and funding as needed to support a going concern over the next 12 months.

Management's current view is that whilst it expects some disruption to continue it will be possible to continue to run events across the Group. Management are further confident in knowing that the Group's customers, exhibitors and delegates are all happy to be back at face to face events as demonstrated by the recent rebooks on site.

#### 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 group and 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 group and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements comply with the Companies Act 2006.

# **Closerstill Media 1 Limited**

## **Directors' Report** *(continued)*

**Year ended 31 December 2020**

This report was approved by the board of directors on ..... 6 December 2021 ..... 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 2020**

	Note	2020 £000	2019 £000
Administrative expenses		(5)	(6)
<b>Operating loss</b>		<u>(5)</u>	<u>(6)</u>
<b>Loss before taxation</b>		<u>(5)</u>	<u>(6)</u>
Tax on loss	5	–	(2)
<b>Loss for the financial year and total comprehensive expense</b>		<u><u>(5)</u></u>	<u><u>(8)</u></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 14 to 23 form part of these Annual Report and Financial Statements.

# Closerstill Media 1 Limited

## Statement of Financial Position

31 December 2020

	Note	2020 £000	2019 £000
<b>Fixed assets</b>			
Investments	6	<u>103</u>	<u>103</u>
<b>Current assets</b>			
Debtors	7	75,518	75,518
Cash at bank and in hand		<u>-</u>	<u>10</u>
		75,518	75,528
<b>Creditors: amounts falling due within one year</b>	8	<u>(93,317)</u>	<u>(93,323)</u>
<b>Net current liabilities</b>		<u>(17,799)</u>	<u>(17,795)</u>
<b>Total assets less current liabilities</b>		<u>(17,696)</u>	<u>(17,692)</u>
<b>Capital and reserves</b>			
Share capital	9	-	-
Share premium account	10	100	100
Profit and loss account	10	<u>(17,796)</u>	<u>(17,792)</u>
<b>Total shareholders' deficit</b>		<u>(17,696)</u>	<u>(17,692)</u>

For the year ending 31 December 2020 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 11 to 23 were approved by the board of directors on .....<sup>6 December 2021</sup> and are signed on its behalf by:



Ms S King  
Director

Company registration number: 08012047

The notes on pages 14 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 2019</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 (as previously reported)</b>	—	100	(17,792)	<b>(17,692)</b>
Prior period adjustments	—	—	1	1
<b>At 31 December 2019 (restated)</b>	—	100	(17,791)	<b>(17,691)</b>
Loss for the year	—	—	(5)	(5)
<b>Total comprehensive expense for the year</b>	—	—	(5)	(5)
<b>At 31 December 2020</b>	—	100	(17,796)	<b>(17,696)</b>

The notes on pages 14 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 2020**

### **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 2020, the Company had net current liabilities of £17,799k (2019: £17,795k), net liabilities of £17,696k (2019: £17,692k) and made a loss before tax of £5k (2019: £6k). The directors consider the Company to be a going concern on the basis that results of the Company since 31 December 2020 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 at 31 December 2020, it has been considered that the Group's financing arrangements consist of a £110m term loan (2019: £110m term loan), a £35m (2019: £35m) CAPEX facility of which £17.1m (2019: £5.1m) had been drawn down, a £5m (2019: £5m) revolving credit facility and £7.2m (2019: £6.5m) of management loan notes. During the year, a drawdown 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 2020

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

The Group is ordinarily highly cash generative but due to Covid-19 related restrictions for most of 2020, and into 2021, generation of cash was significantly reduced. The Group has net current liabilities of £30.5m (2019: £21.6m) and made a loss before tax of £54.5m (2019: £24.3m) due to the impact of the excess of administrative expenses over revenue, and non-cash charges, mainly accrued interest on loan notes and amortisation of goodwill and intangible assets.

In response to COVID-19, the Group modelled various scenarios through March and April 2020 as reported in the Group Accounts for the year ended 31 December 2019. Management worked closely with Providence Equity Partners (PEP) to develop a temporary amendment to the Senior Finance Agreement (SFA) with Hayfin Services LLP, the principal lender, which ensured that, under all scenarios sufficient liquidity and covenant compliance would be maintained. Part of this support was a Bridge Liquidity arrangement through a PEP Equity Commitment Letter (with an availability of funds of no less than £32m) for general corporate and working capital purposes to ensure the Group maintains a minimum liquidity of £5m at each reporting period. The worst-case scenario as prepared last year included running no physical events through to September 2021 with an offset in cost savings. The actual results were significantly better due to the ability of the Group to pivot to digital which supported cashflow through new sales but also significantly reduced refunds over initial expectations. Whilst some redundancies were inevitable due to the pandemic they were minimised through the use of the UK and German furlough schemes allowing the Group to retain experienced staff for physical event planning through to 2021.

Through 2020 and into H1 2021 the Group ran a number of significant virtual events in the UK, US and Germany. The Group has run various digital online webinars but also delivered some smaller face to face events in Spain and Singapore working within Government guidelines.

Since September 2021, as government Covid related restrictions have generally eased across the globe, the Group has now run many successful physical events. Highlights have included the running in the UK of the recently acquired event London Dentistry Show at Olympia where the success of the event resulted in forward orders taken on-site for the 2022 event exceeding 200% of the total 2021 event orders.

The group has run physical events in 2021 in all the geographical markets it operates in, these have included the Clinical Pharmacy Congress at Excel London, Tech Show Paris, eShow Madrid and NY Vet along with further UK events at both the NEC and Excel such as Best Practice and Care Show, Occupational Therapy and the very well received London Vet Show.

All the events we have run since September 2021 have over delivered on our expectations and as such reinforces our view as to the undimmed demand for, and sustainability of, leading face to face events of the type that CloserStill operates. The group currently has an order book for 2022 that is in excess of the like for like point in the pre-Covid 2019/2020 cycle. We therefore consider it likely that the group could deliver revenues in 2022 in excess of that seen in 2019.

Management's current view is that whilst it expects some disruption to continue in its markets from Covid, it will be possible in 2022 to continue to run all events across the Group. Management are further confident in knowing that the Group's customers, exhibitors and delegates continue to demand as strongly as ever the face to face events that the Group operates, as demonstrated by the feedback to our recently run events and our current forward looking order book.

The Group has run various scenarios through to the end of 2022 to establish liquidity requirements and for covenants planning. Whilst the Group has proven it can run events in 2021 globally the Directors are aware that the situation could change, and this could have a significant impact on the liquidity and covenant projections. For this reason, management have again worked closely with PEP and Hayfin, to agree a further amendment to the SFA, which ensures the Group, under a no event scenario through to the end of March 2023, has sufficient liquidity and remains within banking covenants.

# Closerstill Media 1 Limited

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

### Year ended 31 December 2020

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

The agreement provides for a waiver on covenant submissions through to March 2023 with the first covenant test under the original 2018 SFA being due in June 2023. All liquidity tests and additional information agreed in the temporary amended SFA will continue.

A Bridge Liquidity arrangement was executed 2 July 2020 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 remains 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 with a leverage of 5x using EBITDA as calculated under normal accounting rules. The Bridge Liquidity arrangement is also guaranteed by Citibank Europe PLC. As at 31 December 2020 the Group had drawn £6m. To date the Group has drawn £17.5m and under a worst-case scenario does not forecast a need for more than £32m to maintain the £5m liquidity requirement. This means that even in an extreme scenario where no events were to occur before April 2022, CloserStill maintains sufficient liquidity and funding as needed to support a going concern over the next 12 months.

Management's current view is that whilst it expects some disruption to continue it will be possible to continue to run events across the Group. Management are further confident in knowing that the Group's customers, exhibitors and delegates are all happy to be back at face to face events as demonstrated by the recent rebooks on site.

#### 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.

# Closerstill Media 1 Limited

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

### Year ended 31 December 2020

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

##### **Taxation**

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting year. Tax is recognised in profit and loss, except to the extent that it relates to items recognised in the 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 period. 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 arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the reporting date. 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.

Deferred tax is recognised in differences between the value of assets (other intangibles, goodwill and liabilities) recognised in a business combination and the amounts that can be deducted or assessed for tax. The deferred tax recognised is adjusted against Goodwill.

##### **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.

##### **Cash and cash equivalents**

Cash and cash equivalents include cash in hand, deposits held on 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.

# Closerstill Media 1 Limited

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

Year ended 31 December 2020

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

#### 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 profit or loss, 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.

#### Basic financial liabilities

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow Group companies and preference shares 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.

Trade creditors payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

#### 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.

# Closerstill Media 1 Limited

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

Year ended 31 December 2020

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

#### 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. Particulars of employees

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

	2020	2019
	No.	No.
Management staff	<u>4</u>	<u>4</u>

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.

### 5. Tax on loss

#### Reconciliation of tax expense

The tax assessed on the loss for the year is higher than (2019: higher than) the standard rate of corporation tax in the UK of 19% (2019: 19%).

	2020	2019
	£000	£000
Loss before taxation	<u>(5)</u>	<u>(6)</u>
Loss before taxation by rate of tax	(1)	(1)
Adjustment to tax charge in respect of prior periods	–	2
Group relief	<u>1</u>	<u>1</u>
Tax on loss	<u>–</u>	<u>2</u>

# Closerstill Media 1 Limited

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

### Year ended 31 December 2020

#### 5. Tax on loss *(continued)*

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.

#### 6. Investments

	Shares in group undertakings £000
<b>Cost</b>	
At 1 January 2020 and 31 December 2020	<u>103</u>
<b>Impairment</b>	
At 1 January 2020 and 31 December 2020	<u>—</u>
<b>Carrying amount</b>	
At 31 December 2020	<u>103</u>
At 31 December 2019	<u>103</u>

# Closerstill Media 1 Limited

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

Year ended 31 December 2020

### 6. Investments *(continued)*

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

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

# Closerstill Media 1 Limited

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

Year ended 31 December 2020

### 7. Debtors

	2020	2019
	£000	£000
Amounts owed by group undertakings	<u>75,518</u>	<u>75,518</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.

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

	2020	2019
	£000	£000
Bank loans and overdrafts	2	8
Amounts owed to group undertakings	93,316	93,316
Other creditors	(1)	(1)
	<u>93,317</u>	<u>93,323</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.

### 9. Called up share capital

Issued, called up and fully paid

	2020		2019	
	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.

### 10. 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.



# **Closerstill Media 1 Limited**

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

### **Year ended 31 December 2020**

#### **11. 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 £132,964,195 (2019: £115,123,432).

#### **12. Events after the end of the reporting year**

There are no subsequent events to report after the balance sheet date.

#### **13. 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 period ended 31 December 2020. Copies of the consolidated financial statements are publicly available from Companies House, Crown Way, Cardiff, CF14 3UZ.