

Company Registration No. 11703817

CSM Finance Limited

Annual Report and Consolidated Financial Statements

for the year ended 31 December 2020

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CSM Finance Limited
Annual Report and Consolidated Financial Statements
For the year ended 31 December 2020

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CSM Finance Limited
Officers and Advisers
For the year ended 31 December 2020

Directors

G G T Bowhill
S Krnic
A Mishenin
P W Soar

Registered office

Exhibition House
Addison Bridge Place
London
W14 8XP

Independent auditors

PricewaterhouseCoopers LLP
One Chamberlain Square
Birmingham
United Kingdom
B3 3AX

CSM Finance Limited

Strategic Report

For the year ended 31 December 2020

The directors present their Strategic Report for CSM Finance Limited for the year to 31 December 2020.

Principal activities and business review

The principal activity of the Company during the period was to act as the intermediate holding company for the CloserStill Group of companies which operate content-led exhibitions throughout the UK, Europe, USA and Asia, the ultimate holding company being CloserStill Group Limited.

The trading group, which has historically been very profitable with significant annual growth, has continued to operate throughout 2020 despite restrictions due to Covid-19 in various jurisdictions, however the results reflect a significant reduction in physical events in the period. The results for the period are set out below:

Review of business performance & key performance indicators

	2020 £'000	2019 £'000
Financial performance indicators:		
Revenue	18,765	71,707
Gross profit	14,920	46,377
Management EBITDA	(5,062)	21,472
Net cash generated from operating activities	2,050	15,812
Non-financial performance indicators:		
		No.
Attendees at CloserStill events		
- Physical	27,132	223,017
- Virtual	42,281	-

Note: Management EBITDA is reconciled to Operating Profit in note 28 to the financial statements. Management EBITDA is a non-GAAP measure used to monitor the performance of the business and is defined as operating profit before depreciation, amortisation, management exceptional items and accounting for non-cash share-based payments to employees

Acquisitions

The Group made a number of investments during the period in relation to the acquisition of established exhibitions to expand the market share and geographical reach of the Group's activities. The two acquisitions made in the period were:

- On 16 January 2020, the group acquired control of Spring Messe Management GmbH through the purchase of 100% of the share capital for total consideration of £11,478k. Spring Messe Management GmbH organises the Corporate Health Convention, Zukunft Personal Europe, Zukunft Personal North and Zukunft Personal Süd events. This acquisition expands the Group's German operations which already include veterinary, corporate learning and development and technology event brands.
- On 21 December 2020, the group acquired the business and assets of the London Dentistry Show from Finlayson Media Limited for total consideration of £577k.

Further information on the Group's acquisitions has been detailed in note 22 of the financial statements.

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%).

CSM Finance Limited

Strategic Report

For the year ended 31 December 2020

Review of business performance & key performance indicators (continued)

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.

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.

CSM Finance Limited

Strategic Report

For the year ended 31 December 2020

Results and dividends

The total comprehensive loss attributable to the owners of the Group after taxation and minority interests for the financial year was £51.2m (2019: £24.9m), due to an excess of administrative expenses over revenue, and interest payable over operating profit arising from its highly leveraged capital structure, which is not uncommon for private equity backed businesses. The directors do not recommend a dividend. Within the year, a dividend of £Nil (2019: £0.2m) was paid to the non-controlling interest within Focuszone Media Inc.

Financial risks

The Group's principal financial instruments comprise bank loans and loan notes extended by CloserStill Exhibitions Limited (formally CSM Acquisitions Limited).

As the Group expands further overseas the exchange rate fluctuations are likely to have a larger impact on the consolidated financial statements.

Further details included in Directors' report (page 9-10).

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 exhibition 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.

CSM Finance Limited

Strategic Report

For the year ended 31 December 2020

Environment (continued)

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 Javits, 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.

CSM Finance Limited

Strategic Report

For the year ended 31 December 2020

Environment (continued)

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.

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:
(a) Long-term results -the likely consequences of any decision in the long term	Strategic Report: Principle activity and business review, Page 2 Review of business performance & key performance indicators, Page 2 Acquisitions, Page 2 Results and Dividends, Page 3 Directors' Report: Financial risk management, Page 9-10
(b) Our workforce -the interest of the Company's employees	Directors' Report: Statement of engagement with employees, Page 10-11
(c) Our business relationships -the importance of developing the Company's business relationships with suppliers, customers and others	Directors' Report: Statement of engagement with suppliers, customers and others in a business relation with the company, Page 11-13
(d) The community and environment - the impact of the Company's operations on the community and the environment	Strategic Report: Environment, Page 4-6
(e) The company's reputation - the desire to maintain a reputation for high standards of business conduct	Directors' Report: CloserStill's reputation in the Industry, Page 11
(f) Fairness between Shareholders -the aim to act fairly between members of the Company	Directors' Report: Statement of engagement with suppliers, customers and others in a business relation with the company, Page 11-12

Signed on behalf of the board by



G G T Bowhill
Director

Approved by the board on 29 November 2021

CSM Finance Limited

Directors' Report

For the year ended 31 December 2020

The directors present their report and the audited consolidated and company financial statements of CSM Finance Limited for the year to 31 December 2020.

Directors

The following directors who were in office during the year and up to the date of the signing of the financial statements were:

G G T Bowhill
S Krnic
A Mishenin
P W Soar

Future developments

The Group'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.

Strategic report

The Group has chosen, in accordance with section 414C(11) of the Companies Act 2006 (amended), (Strategic Report and Directors' Report) Regulations 2013, to set out in the Group's Strategic Report the following information required by schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008: financial instruments and miscellaneous.

Going concern

At 31 December 2020, 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 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 (note 24).

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.

CSM Finance Limited

Directors' Report

For the year ended 31 December 2020

Going concern (continued)

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.

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.

CSM Finance Limited

Directors' Report

For the year ended 31 December 2020

Going concern (continued)

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.

Events after the balance sheet date

There were no events after the balance sheet date.

Dividends

During the year to 31 December 2020, dividends paid were £Nil (2019: £0.2m)

Financial risk management

The Group is exposed to various financial risks from its underlying operations and finance activities. These include liquidity risk, foreign currency risk, interest rate risk, and credit risk. The Group manages these risks in accordance with the policies set out below.

The Group's financial instruments comprise cash, borrowings, receivables and payables that are used to finance the Group's operations. The Group does not trade in financial instruments.

The objective of financial risk management is to limit exposures to the various type of financial risks mentioned above in order to minimise any negative impact on the Group's results and financial position.

The Board takes a proactive approach to risk management with the objective of protecting its employees and customers and safeguarding the interests of the Group, its shareholders, employees, clients, consumers and all other stakeholders

i. Liquidity risk

Liquidity risk is the risk that the Group will experience difficulties to meet obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group finances its operations through cash generated by the business and borrowings (i.e. bank loans). The Group maintains sufficient reserves of cash to meet its liquidity requirements at all times. In light of COVID-19 and the risks to liquidity, a Bridge Liquidity arrangement is also in place through a PEP Equity Commitment Letter (with an availability of funds of no less than £32.0m) (note 26).

CSM Finance Limited

Directors' Report

For the year ended 31 December 2020

Financial risk management (continued)

ii. Foreign currency risk

Foreign currency risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group operates on a worldwide basis and, as a result, is exposed to movements in foreign currency exchange rates of mainly GBP, EUR, USD, HKD, and SGD on sales and purchases.

The majority of all trade related billings and payments as well as all payments of interest-bearing liabilities are made in the respective functional currencies of the Group entities.

The impact on the profit or loss is mainly a result of the foreign exchange gains or losses arising from translation of trade receivables, trade payables and cash and cash equivalents in foreign currencies. Significant fluctuations of foreign currency exchange rates may impact other comprehensive income, mainly due to translation of foreign subsidiaries. The impact is minimised having foreign subsidiaries in multiple functional currencies.

iii. Interest rate risk

Interest rate risk arises from movements in interest rates which could have an impact on the Group's net income or financial position. Interest rate risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk relates primarily to the Group's bank loans. The Group does not use derivative financial instruments to hedge its interest rate risk in respect of loans. The Board are continuously monitoring any changes to interest rates and would propose new strategies accordingly in order to minimise the impact on the Group's financial position.

iv. Credit risk

Credit risk arises from the possibility that the counterparty to a transaction may be unable or unwilling to meet its obligations, causing a financial loss to the Group. Credit risk arises mainly from the Group's trade receivables. Trade receivables are subject to a policy of active risk management which focuses on the assessment of credit availability, ongoing credit evaluation, and account monitoring procedures. There are no significant concentrations of credit risk due to the Group's large number of customers and their wide geographical spread. The impact of COVID-19 on the economic environment has the potential of increasing the credit risk within the Group.

Group tax policy

The Group acts in compliance with the relevant local and international laws and disclosure requirements and conducts an open and transparent relationship with the relevant tax authorities. In an increasingly complex international corporate tax environment, there is a degree of tax risk and uncertainty. Tax risk can arise from differences in interpretation of regulations, but most significantly where governments apply diverging standards in assessing intragroup cross border transactions. This is the situation for many multinational organisations. The Group manages and controls these risks in a proactive manner and, in doing so, exercises judgement and seeks appropriate advice from relevant professional firms.

Statement of engagement with employees

The CloserStill Group is committed to providing a great place to work 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.

CSM Finance Limited

Directors' Report

For the year ended 31 December 2020

Statement of engagement with employees (continued)

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 all our teams.

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. 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, New York and Germany 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.

Many of CloserStill's employees are also shareholders and are therefore engaged in the future development of the business. The Board prides itself in the support and flexibility of the workforce to adapt and deliver events that are best in their category, as evidenced by the number of industry awards won by CloserStill events and employees.

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. We have won over 50 major industry awards, including the coveted 'Best Business Exhibition' seven times, featured in The Sunday Times 100 Best Places to Work 3 times (2018, 2019 & 2020), been Voted by members of the Association of Exhibition Organisers as the 'Most Respected Company' in the exhibition industry. The awards are down to the people and teams that work together to deliver the events ensuring customer service and satisfaction. The accolades include: Best Business Exhibition (x7), Best Marketing (x8), Best Operations (x3), Best Sales (x4), Best Event Director (x3) and Best Launch or Brand Extension (x5). Adapting to digital during 2020, we also won 3 awards at the new Digital Event 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.

Statement of engagement with suppliers, customers and others in a business relationship with the company

The CloserStill Group aims to deliver the best possible value for all our customers and stakeholders and deliver great experiences for everyone involved in our events.

Modern Day Slavery Act Statement

CloserStill Group Ltd is an international trade show, conference and events organiser, with operations in United Kingdom, USA, France, Germany, Spain and Singapore.

CSM Finance Limited

Directors' Report

For the year ended 31 December 2020

Statement of engagement with suppliers, customers and others in a business relationship with the company (continued)

Modern slavery is a crime and a violation of fundamental human rights. We are committed to acting ethically and with integrity in all our business dealings and relationships.

CloserStill Group operates in many different countries, and there is a zero-tolerance approach to slavery or human trafficking. The principles of The Universal Declaration of Human Rights and the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work are supported by the CloserStill Group, both locally and internationally.

The CloserStill Group is committed to ensuring that there is no modern slavery or human trafficking in our supply chains or in any part of our business. Whichever global location we run our events in we ensure we comply with the local laws and regulations. We realise that this is an ongoing and evolving obligation, and we need to update our processes with regard to ongoing risk assessments in each global territory that we operate in.

This statement is in accordance with section (54)1 of the Modern Slavery Act 2015 and constitutes CloserStill Group's slavery and human trafficking statement for the financial year ending 31 December 2020.

Organisational Structure

The Board of Directors headed by the Chairman and the Chief Executive Officer are based in the UK. As a 31 December 2020 there were 246 employees consisting of sales, marketing, operations and administration staff, based in the following countries: United Kingdom 150, Germany 31, Spain 15, France 1, Singapore 14, Hong Kong 3 and USA 32.

The company is not involved in manufacturing and has strict employment policies and therefore we feel there is low risk of non compliance amongst our direct employees.

Suppliers

The company organises trade shows and conferences in Healthcare and Technology market sectors. Our major suppliers are the venues where the events are held, the contractors who build exhibition stands, supply furniture, carpets, logistics and data registration services. Our major suppliers all have their own procedures and policies with regard to anti-slavery and anti-trafficking and we will continue to work with them to identify areas of risk further along the supply chain. We recognise that due diligence procedures with smaller suppliers needs to be reviewed.

Customers

Our customers range from large pharmaceutical manufacturers to suppliers of kit for data centres and operators of care homes. Whilst we consider that our customer base is of generally very low risk, we undertake a review of our processes to ensure we identify where customers originate from areas of risk and enhancing our due diligence process to mitigate this risk. Our terms and conditions of business are under review with the aim of incorporating the expectation that people we work with should adhere to the same standards we set ourselves.

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.

CSM Finance Limited

Directors' Report

For the year ended 31 December 2020

Statement of engagement with suppliers, customers and others in a business relationship with the company (continued)

Debt capital/ credit facility providers

The Group Chief Financial Officer and Group Financial Director are responsible for managing the relationships with our banks and for the Group's cash/ debt management and financing activities. Regular reports are made to the board on these activities including the Group's plans to ensure appropriate access to debt capital, monitoring the headroom and maturity schedules of primary credit facilities.

Monthly financial information is shared with the banks on profitability and cashflow following the monthly Board Meetings. Quarterly review meetings also take place to ensure the banks are kept informed of trading and forecast expectations. Higher level of reporting during Covid-19 outbreak is in place as detailed in the going concern section of the directors' report (page 7-9).

HR Policies

The company has strict HR policies and procedures, which include identity verification and right to work checks. The company ensures that employees are paid fairly for their role with a competitive remuneration package. We undertake regular review and updates of our specific policies related to maintaining a high standard of employee conduct and a whistleblowing policy.

Risk Assessment and management

Our overall assessment is that the CloserStill Group has little risk related to its primary tier suppliers and customers. A key focus of the group in the forthcoming period is to accelerate a program of implementing enhanced policies and training management and staff in undertaking relevant risk assessments and recognising situations where modern day slavery may be a concern.

CSM Finance Limited
Directors' Report
For the year ended 31 December 2020

Statement of directors' responsibilities in respect of the financial statements

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the group and company 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 group and company and of the profit or loss of the group and 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 group and 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.

Directors' confirmations

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the group and company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the group and company's auditors are aware of that information.

Independent Auditors

PricewaterhouseCoopers LLP has indicated its willingness to continue in office, and a resolution concerning their re-appointment will be proposed at the Annual General Meeting.

Signed on behalf of the board by



G G T Bowhill
Director

Approved by the board on 29 November 2021

CSM Finance Limited

Independent auditors' report to the members of CSM Finance Limited
For the period 1 January 2020 to 31 December 2020

Report on the audit of the financial statements

Opinion

In our opinion, CSM Finance Limited's group financial statements and company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the company's affairs as at 31 December 2020 and of the group's loss and the group's cash flows for the year then ended;
- have been properly prepared 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); and
- have been prepared in accordance with the requirements of the Companies Act 2006

We have audited the financial statements, included within the Annual Report, which comprise: the Consolidated and Company Balance Sheets as at 31 December 2020; the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated and Company Statements of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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

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

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the group's and the company's ability to continue as a going concern.

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

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

CSM Finance Limited

Independent auditors' report to the members of CSM Finance Limited

For the period 1 January 2020 to 31 December 2020

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' Report for the year ended 31 December 2020 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the group and company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

CSM Finance Limited

Independent auditors' report to the members of CSM Finance Limited

For the period 1 January 2020 to 31 December 2020

Based on our understanding of the group and industry, we identified that the principal risks of non-compliance with laws and regulations related to employment legislation and taxation legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the posting of unusual journals revenue and cash and the manipulation of significant account estimates. Audit procedures performed by the engagement team included:

- Obtaining an understanding of the control environment in monitoring compliance with laws and regulations
- Reading the minutes of the Board meetings to identify any inconsistencies with other information provided by management
- Testing of journals posted to revenue and cash that have unusual account combinations
- Challenging management on the supporting evidence and rationale provided for significant accounting estimates; and
- Incorporating elements of unpredictability.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Steven Kentish (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

Birmingham

30 November 2021

CSM Finance Limited
Consolidated Income Statement
For the year ended 31 December 2020

		For the year to 31 December 2020	For the period from 29 November 2018 to 31 December 2019
	Note	£'000	£'000
Revenue	3	18,765	71,707
Cost of sales		(3,845)	(25,330)
Gross profit		14,920	46,377
Administrative expenses		(60,187)	(61,506)
Operating losses - continuing	4	(45,267)	(15,129)
Management EBITDA	28	(5,062)	21,472
Amortisation	11	(31,836)	(32,514)
Depreciation	12	(751)	(507)
Exceptional items	5	(5,210)	(189)
Management exceptional items		(1,041)	(2,305)
Foreign exchange		(422)	(289)
Share based payments	6	(945)	(797)
Interest receivable and similar income	8	6	11
Interest payable and similar expenses	9	(8,688)	(8,547)
Loss before taxation		(53,949)	(23,665)
Tax on loss	10	2,590	(771)
Loss for the financial period		(51,359)	(24,436)
Loss for the financial year attributable to:			
Owners of Parent		(50,672)	(24,471)
Non-controlling interest		(687)	35
Loss for the financial period		(51,359)	(24,436)

There are no material discontinued operations during the period.

The notes on pages 23 to 51 form part of these financial statements.

The Company has taken advantage of s408 of the Companies Act 2006 not to publish its own Statement of Comprehensive Income.

CSM Finance Limited

Consolidated Statement of Comprehensive Income For the year ended 31 December 2020

	For the year to 31 December 2020	For the period from 29 November 2018 to 31 December 2019
	£'000	£'000
Loss for the financial period	(51,359)	(24,436)
Comprehensive income/(expense) for the period		
Currency translation profits/(losses) in foreign operations	182	(517)
Total comprehensive expense attributable to equity shareholders	(51,177)	(24,953)
Total comprehensive expense for the financial year attributable to:		
Owners of Parent	(50,490)	(24,988)
Non-controlling interest	(687)	35
Total comprehensive expense for the financial period	(51,177)	(24,953)

CSM Finance Limited

Consolidated and Company Balance Sheets
As at 31 December 2020

	Note	2020		2019	
		Group £'000	Company £'000	Group £'000	Company £'000
Fixed Assets					
Intangible assets	11	185,492	-	190,294	-
Goodwill	11	131,362	-	141,953	-
Tangible assets	12	1,071	-	1,127	-
Investments	13	-	192,235	-	192,235
		317,925	192,235	333,374	192,235
Current assets					
Debtors	14	27,454	-	19,884	-
Cash and cash equivalents	15	6,466	-	7,848	-
		33,920	-	27,732	-
Creditors: amounts falling due within one year	16	(71,067)	-	(48,853)	-
Net current liabilities		(37,147)	-	(21,121)	-
Total assets less current liabilities		280,778	192,235	312,253	192,235
Creditors: amounts falling due after more than one year	17	(129,727)	-	(111,233)	-
Provisions for liabilities	19	(29,515)	-	(29,252)	-
Net assets		121,536	192,235	171,768	192,235
Capital and reserves					
Called up share capital	20	1,922	1,922	1,922	1,922
Share premium account	20	190,313	190,313	190,313	190,313
Translation reserve		(335)	-	(517)	-
Accumulated losses		(73,589)	-	(23,862)	-
Equity attributable to owners of the parent		118,311	192,235	167,856	192,235
Non-controlling interests		3,225	-	3,912	-
Total Equity		121,536	192,235	171,768	192,235

The company had no revenue or costs for the period from 29 November 2018 to 31 December 2020.

The financial statements on pages 18 to 51 were approved by the board of directors and authorised for issue on 29 November 2021 and are signed on behalf of the board by:



G G T Bowhill
Director

Registered no: 11703817

The notes on pages 23 to 51 form part of these financial statements.

CSM Finance Limited

Consolidated and Company Statements of Changes in Equity
For the year ended 31 December 2020

Group	Called up Share capital £'000	Share Premium Account £'000	Translation reserve £'000	Accumulated losses £'000	Total £'000	Non- controlling Interest £'000	Total Equity £'000
As at 1 January 2020	1,922	190,313	(517)	(23,862)	167,856	3,912	171,768
Issue of share capital	–	–	–	–	–	–	–
Comprehensive (expense)/ Income							
Loss for the period	–	–	–	(50,672)	(50,672)	(687)	(51,359)
Other comprehensive income	–	–	182	–	182	–	182
Total comprehensive expense	–	–	182	(50,672)	(50,490)	(687)	(51,177)
Transactions with owners							
Credit related to Share based payments	–	–	–	945	945	–	945
Total for transactions with owners	–	–	–	945	945	–	945
Balance at 31 December 2020	1,922	190,313	(335)	(73,589)	118,311	3,225	121,536

Company	Called up Share capital £'000	Share Premium Account £'000	Total £'000	Non- controlling Interest £'000	Total Equity £'000
As at 1 January 2020	1,922	190,313	192,235	–	192,235
Issue of share capital	–	–	–	–	–
Comprehensive expense					
Result for the period	–	–	–	–	–
Other comprehensive income	–	–	–	–	–
Total comprehensive expense	–	–	–	–	–
Balance at 31 December 2020	1,922	190,313	192,235	–	192,235

The notes on pages 23 to 51 form part of these financial statements.

CSM Finance Limited

Consolidated Statement of Cash Flows

For the year ended 31 December 2020

	Note	2020 £'000	2019 £'000
Cash flows from operating activities			
Loss for the financial year		(51,359)	(24,436)
Adjustment for:			
Depreciation of tangible fixed assets	12	751	507
Amortisation of intangible fixed assets	11	31,836	32,514
Impairment of intangible fixed assets	11	-	189
Foreign exchange		523	329
Equity share based payment expense	6	945	797
Interest receivable	8	(6)	(11)
Interest and similar charges payable	9	8,688	8,547
Taxation	10	(2,129)	771
Adjusted operating (loss)/ profit before changes in working capital		(10,751)	19,207
Increase in trade and other receivables		(6,240)	(2,567)
Working capital injection		6,000	-
Increase in trade and other payables		13,041	2,964
Cash generated from operations		2,050	19,604
Tax paid		-	(3,792)
Net cash generated from operating activities		2,050	15,812
Cash flows from investing activities			
Acquisition of investments in subsidiaries	22	(12,045)	(130,750)
Buyout of non-controlling interest	25	-	(375)
Purchase of tangible fixed assets	12	(865)	(968)
Purchase of intangible fixed assets and new launches	11	(160)	(858)
Interest received	8	6	11
Net cash used in investing activities		(13,064)	(132,940)
Cash flows from financing activities			
Proceeds from new borrowing	16,17	17,123	116,945
Repayment of borrowings		-	(176,422)
Interest and similar expenses paid		(7,491)	(7,553)
Dividends paid to non-controlling interests		-	(229)
Issue of share capital	20	-	192,235
Net cash generated from financing activities	19	9,632	124,976
Net (decrease)/ increase in cash and cash equivalents		(1,382)	7,848
Cash and cash equivalents at the beginning of the year		7,848	-
Cash and cash equivalents at the end of the period		6,466	7,848
Cash and cash equivalents consists of:			
Cash at bank and in hand		6,466	7,848
Bank overdrafts		(4,595)	(5,712)
Cash and cash equivalents		1,871	2,136

The Company is a qualifying entity for the purposes of FRS 102 and has elected to take exemption under FRS 102, para 1.12 (b) not to present the Company Statement of Cash Flows.

The notes on pages 23 to 51 form part of these financial statements.

CSM Finance Limited

Notes to Consolidated Financial Statements

For the year ended 31 December 2020

1. GENERAL INFORMATION

The Company was incorporated on 29 November 2018. The Company is a private company limited by shares and the registered address and principal place of business is Exhibition House, Addison Bridge Place, London, W14 8XP.

The Group consists of CSM Finance Limited and all of its subsidiaries (note 13). The principal activity of the Company during the period was to act as the intermediate holding company for the CloserStill Group of companies which operate content-led exhibitions throughout the UK, Europe, USA and Asia.

2. ACCOUNTING POLICIES

Basis of Preparation

The Group and Company financial statements have been prepared on a going concern basis in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006, including the provisions of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, and under the historical cost convention.

These consolidated financial statements are for the period 29 November 2018 to 31 December 2019 and year to 31 December 2020. The Group commenced trading from 19 December 2018 and the trading results are consolidated from this date.

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

The accounting policies set out below have been applied consistently to the period presented in these financial statements.

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 31.

Company Statement of Comprehensive Income

As permitted by s408 of the Companies Act 2006, the Company has not presented its own Statement of Comprehensive Income.

Basis of Consolidation

The consolidated financial statements incorporate those of CSM Finance Limited and all of its subsidiary undertakings for the period ended 31 December 2020. Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes. All financial statements are made up to 31 December 2020.

All intra-group transactions, balances and unrealised gains on transactions between Group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with the accounting policies used by the Group.

The cost of a business combination is the fair value at the acquisition date, of the assets given, equity instruments issued and liabilities and contingent liabilities incurred or assumed, plus directly attributable costs.

The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities is recognised as goodwill.

CSM Finance Limited

Notes to Consolidated Financial Statements

For the year ended 31 December 2020

2. ACCOUNTING POLICIES (*continued*)

Going Concern

At 31 December 2020, 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 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 (note 24).

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.

CSM Finance Limited

Notes to Consolidated Financial Statements

For the year ended 31 December 2020

2. ACCOUNTING POLICIES (continued)

Going Concern (continued)

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.

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.

Foreign Currencies

Transactions in currencies other than the functional currency (foreign currencies) are initially recorded at the rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. All translation differences are taken to the profit and loss account, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

The assets and liabilities of foreign subsidiary undertakings are translated into the Group's presentation currency at the rates of exchange ruling at the reporting date. Income and expenses of overseas subsidiaries are translated at the average rate for the year as the directors consider this to be a reasonable approximation to the rate at the date of the transaction. Translation differences are recognised in other comprehensive income and accumulated in equity.

Revenue

Revenue is recognised when the exhibition takes place and is recognised at the fair value of the consideration received or receivable for sale of services to external customers in the ordinary nature of the business. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates. Revenue is shown net of Value Added Tax.

CSM Finance Limited

Notes to Consolidated Financial Statements
For the year ended 31 December 2020

2. ACCOUNTING POLICIES (continued)

Revenue (continued)

Revenue is recognised in relation to separately identifiable components of a single transaction when necessary to reflect the substance of the arrangement and in relation to two or more linked transactions when necessary to understand the commercial effect. Contra revenue is recognised when a service is provided to a customer in exchange for goods and services provided to the Group. These transactions are recognised at fair value. Any amounts received prior to the exhibition being held are deferred and included in creditors until the exhibition takes place. Direct expenditure incurred in relation to the exhibitions is also deferred to match the corresponding revenue.

Exceptional items

The Group classifies certain one-off charges or credits that have a material impact on the Group's financial results as 'exceptional items'. These items are material by size or nature and non-recurring. These are disclosed separately to provide further understanding of the financial performance of the Group.

Intangible Assets

Goodwill represents the excess of the consideration for an acquired undertaking or acquired trade and assets, compared with the fair value of net assets acquired. Goodwill is capitalised and written off evenly over 10 years as in the opinion of the directors this represents the period over which the goodwill is expected to give rise to economic benefits. Goodwill is reviewed for impairment at the end of the first full financial year following the acquisitions and in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

Intangible assets arising on a business combination, being those assets acquired at the fair value on the acquisition date, are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Marketing related intangible assets are defined as those assets that are primarily used in the marketing or promotion of products or services. This is initially recognised at cost and subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Customer related intangible assets may consist of customer lists, order or production backlogs, customer contacts and relationships, and non-contractual customer relationships. This is initially recognised at cost and subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Capitalised exhibition licence expenditure is initially recorded at cost and subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

The Group capitalises expenditure on websites for its exhibition events.

Amortisation is provided on intangible fixed assets as to write off the cost or valuation over their expected useful economic life as follows:

Marketing related	15 years, straight line basis
Customer related – Customer relationships	10 years, straight line basis
Customer related – Order backlogs	1 year
Licences	10 years or the term of the lease, straight line basis
Websites	3 years straight line basis
Other intangible assets	between 3 and 5 years, straight line basis

Tangible Fixed Assets

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

CSM Finance Limited

Notes to Consolidated Financial Statements

For the year ended 31 December 2020

2. ACCOUNTING POLICIES (continued)

Tangible Fixed Assets (continued)

Office equipment	between 3 and 5 years, straight line basis
Fixtures and fittings	between 3 and 5 years, straight line basis
Leasehold improvements	5 years, straight line basis

Impairment

Fixed assets are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable or as otherwise required by relevant accounting standards.

Shortfalls between the carrying value of fixed assets and their recoverable amounts, being the higher of net realisable value and value-in-use, are recognised as impairments. All impairment losses are recognised in the profit and loss account.

Finance costs

Finance costs of debt are recognised in the profit and loss account over the term of such instruments at a constant rate on the carrying amount.

Investments in subsidiaries

Fixed asset investments are stated at historical cost less provision for any permanent diminution in value.

In the financial statements of the Company, interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

Interests in subsidiaries, associates and jointly controlled entities are assessed for impairment at each reporting date. Any impairments, losses or reversals of impairment are recognised immediately in profit or loss.

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.

CSM Finance Limited

Notes to Consolidated Financial Statements

For the year ended 31 December 2020

2. ACCOUNTING POLICIES (*continued*)

Government grants

Government grants are recognised based on the accrual model and are measured at fair value of the asset received or receivable. Grants are classified as either relating to assets or revenue. Grants relating to revenue are recognised in income over the period in which the related costs are recognised.

Leases

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight-line basis over the term of the relevant lease except where another more

systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

The best estimate of the expenditure required to settle an obligation for termination benefits is recognised immediately as an expense when the Group is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Retirement benefits

The companies within the Group that have employees, have a defined contribution pension scheme, the terms of which are identical across all companies concerned. The amount charged to profit and loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

Employee share ownership plans

The Group operates one Employee Share Scheme (ESS):

The shares are held in an Employee Benefit Trust (EBT) outside the Group. Consideration paid for the shares is shown within reserves. Finance costs and administrative expenses incurred by the Company in relation to the ESS are recognised on an accrual's basis.

Share-based payments

The cost of equity-settled transactions with employees is measured by reference to the fair value of the equity instruments granted at the date at which they are granted and is recognised as an expense over the expected vesting period. Fair value is determined by an external valuer using an appropriate pricing model. In valuing equity-settled transactions, no account is taken of any vesting conditions, other than conditions linked to the price of the shares of the company (market conditions) and non-vesting conditions. No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market or non-vesting condition, which are treated as vesting irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance conditions are satisfied.

At each balance sheet date before vesting, the cumulative expense is calculated, representing the extent to which the vesting period has expired and management's best estimate of the achievement or otherwise of non-market conditions and of the number of equity instruments that will ultimately vest or in the case of an instrument subject to a market condition, be treated as vesting as described above.

CSM Finance Limited

Notes to Consolidated Financial Statements

For the year ended 31 December 2020

2. ACCOUNTING POLICIES *(continued)*

Share-based payments *(continued)*

The movement in cumulative expense since the previous balance sheet date is recognised in the income statement, with a corresponding entry in equity. Where the terms of an equity-settled award are modified or a new award is designated as replacing a cancelled or settled award, the cost based on the original award terms continues to be recognised over the original vesting period.

In addition, an expense is recognised over the remainder of the new vesting period for the incremental fair value of any modification, based on the difference between the fair value of the original award and the fair value of the modified award, both as measured on the date of the modification. No reduction is recognised if this difference is negative.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any cost not yet recognised in the profit and loss account for the award is expensed immediately. Any compensation paid up to the fair value of the award at the cancellation or settlement date is deducted from equity, with any excess over fair value expensed in the profit and loss account. The financial effect of awards by the parent company of its equity shares granted to the employees of subsidiary undertakings are recognised by the parent company in its individual financial statements. In particular the parent company records an increase in its investment in subsidiaries with a credit to equity equivalent to the cost in the subsidiary undertakings.

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

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument, and are offset only when the Group 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.

i. 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.

ii. 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.

CSM Finance Limited

Notes to Consolidated Financial Statements

For the year ended 31 December 2020

2. ACCOUNTING POLICIES (continued)

Financial instruments (continued)

iii. 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.

iv. 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 profit or loss 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.

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 Group after deducting all of its liabilities.

Loan notes, bank loans and preference shares are recorded at amortised cost.

Transaction costs incurred in securing loan notes are measured at amortised cost, and deducted from the value of the loan notes. The difference between the liability recognised and the principal payable at maturity is recognised as an interest expense over the expected life of the instrument.

Borrowings

Borrowings are initially recognised at the transaction price, including transaction costs, and subsequently measured at amortised cost. Interest is recognised on the basis of the effective interest method. Interest expense is included in interest payable and similar charges.

Provisions

Provisions are recognised when the Group has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and that obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within the interest payable and similar charges.

Share capital

Ordinary shares are classified as equity.

CSM Finance Limited

Notes to Consolidated Financial Statements

For the year ended 31 December 2020

2. 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 Group 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) Fair value of acquisitions (note 22)
The fair value of tangible and intangible assets acquired on the acquisitions of businesses involves the use of valuation techniques and the estimation of future cash flows to be generated over a number of years and also a selection of appropriate discount rates in order to calculate the net present value of those cash flows. In addition, the estimation of the contingent consideration payable using the estimation of the level of profitability is often required.
- b) Impairment of intangible assets and goodwill (note 11)
Annually, the Group considers whether intangible assets and/or goodwill are impaired. Where an indication of impairment is identified, the estimation of the recoverable value requires estimation of the recoverable value of the relevant cash generating units (CGUs) based on their value in use. This requires estimation of the future cash flows from the CGUs and also a selection of appropriate discount rates in order to calculate the net present value of those cash flows.
- c) Provision for deferred tax (note 19)
Provision is made for deferred taxation based on the estimated fair value of intangible assets on acquisitions. This requires applying enacted corporation tax rates to the estimation of the future amortisation profile. The provision and assumptions are reviewed annually to reflect any changes in the current and future amortisation profile and changes in enacted corporation tax rates.
- d) Share based payments (note 6)
The fair value of shares granted to employees involves the use of valuation techniques to estimate the share value at the time of grant. The fair value of the shares issued during the year is determined by third party experts using a Black Scholes model at the date of grant. In addition, the estimation of attrition rates of employees and the expected period of ownership is also required in calculating the charge for each accounting period. This estimate of the attrition rate of employees is reviewed annually using experience of actual attrition rates since the share grants.
- e) Going concern
The directors' assessment of Group'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 Group.
- f) Non-consolidation of Employee Benefit Trust
An Employee Benefit Trust (EBT) exists to repurchase the shares of employees within the share based payment scheme who have then left the Group. The directors of CloserStill Group Limited do not consider it is appropriate to consolidate the employee benefits trust as the Company does not have control of EBT trust. The appointment of trustees to the EBT is in the form of an independent company selected by Providence Equity Partners who ultimately make decisions to benefit the beneficiaries of the trust, not the Company.

CSM Finance Limited

Notes to Consolidated Financial Statements

For the year ended 31 December 2020

2. ACCOUNTING POLICIES (continued)

Critical accounting judgements and estimation uncertainty (continued)

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.

3. REVENUE

The Group's turnover and loss before taxation for the year ended 31 December 2020 were all derived from its principal activity. Sales were derived from events held in geographical locations, as follows:

	2020 £'000	2019 £'000
United Kingdom	13,838	41,509
USA	1,300	11,773
France	1,544	6,129
Germany	1,119	4,806
Singapore	67	4,787
Hong Kong	391	2,076
Spain	506	627
Total	18,765	71,707

Analysis of turnover by category was as follows:

	2020 £'000	2019 £'000
Space and shell revenue	10,288	43,185
Sponsorship revenue	3,274	11,480
Other revenue	2,906	2,089
Conference fees	652	9,844
Contra revenue	676	2,230
Catalogue and show guide	368	1,927
Insurance and inspection	601	952
Total	18,765	71,707

4. OPERATING LOSSES - CONTINUING

The operating loss from continuing operations is stated after charging:

	2020 £'000	2019 £'000
Amortisation of Goodwill (note 11)	16,614	15,978
Amortisation of intangible assets - Website (note 11)	210	359
Amortisation of intangible assets - Licences and other intangible assets (note 11)	302	375
Amortisation of intangible assets - Marketing related intangible assets (note 11)	12,291	11,707
Amortisation of intangible assets - Customer related intangible assets (note 11)	2,419	2,505
Depreciation of tangible fixed assets (note 12)	751	507
Auditors' remuneration - taxation advisory services	111	111
Auditors' remuneration - statutory audit	482	213
Operating lease expense	1,397	1,335
Share based payments	945	797
Net foreign exchange losses	422	289

CSM Finance Limited

Notes to Consolidated Financial Statements

For the year ended 31 December 2020

5. EXCEPTIONAL ITEMS

	2020 Group £'000	2020 Company £'000	2019 Group £'000	2019 Company £'000
COVID 19 related costs	1,542	-	-	-
Hong Kong closure	100	-	-	-
Messe restructure cost	1,067	-	-	-
Impairment	-	-	189	-
COVID 19 sunk costs	2,501	-	-	-
Total	5,210	-	189	-

During the year, mainly due to Covid-19, several exceptional expenses were incurred which are not expected to be recurring. These are mainly sunk costs and expenses on restructuring or closure of any operations during the year.

The impairment charge relates to the investment in X-Border Insight Limited. This company was dissolved on 26 February 2020 and the X-Border event is now being run in CloserStill E-Commerce Limited, the previous parent company of X-Border Insight Limited.

6. STAFF COSTS

The average monthly number of employees (including the executive directors) during the period were:

	2020 No.	2019 No.
Administration	297	289
Management	8	8
	305	297

	2020 £'000	2020 £'000
Employee costs during the year amounted to:		
Wages and salaries	12,570	14,978
Social security costs	1,754	1,243
Other pension costs	-	448
Share based payment	945	797
	15,269	17,466

Directors' remuneration:	2020 £'000	2019 £'000
The Directors' remuneration for the year was as follows:		
Aggregate remuneration	535	660
Highest paid director:		
Aggregate remuneration	289	641

The Group operates a defined contribution pension scheme for the benefit of the employees and directors. The assets of the scheme are administered by an independent pension provider. The total pension contributions paid during the period amounted to £506,277 (2019: £360,034). The amount of pension contributions due but not paid over the pension scheme at the period end was £36,530 (2019: £42,144).

Post-employment benefits are accruing for one director under a defined contribution scheme.

CSM Finance Limited

Notes to Consolidated Financial Statements

For the year ended 31 December 2020

6. STAFF COSTS (continued)

Two directors received shares under share purchase schemes.

The Group operates one share-based payment scheme for its employees.

Share Purchase Scheme

Certain qualifying employees participate in the share purchase scheme, where they are offered shares at a nominal value, subject to management appraisal and the terms of their service. The Group makes grants of shares on an irregular basis and it is a condition of the scheme that at the discretion of management shares are returned when employees leave. Shares in CloserStill Group Limited (formerly CSM Topco Limited), were granted to certain employees to replace the former scheme. The number of shares granted was 9,798 (2019: 267,648). The charge recognised during the period was £945,178 (2019: £796,753).

	2020 No. of shares	2019 No. of shares
Outstanding as at 1 January and 29 November 2018	225,922	-
Granted in the period	9,798	267,648
Forfeited in the period	(8,064)	(41,726)
Outstanding as at 31 December	227,656	225,922

At the year end 31 December 2020, the presentation of the share based payments note for 31 December 2019 has been updated to ensure a fair presentation of the movements.

Measurement of fair value

The fair value of the shares issued during the year is determined by third party experts using a Black Scholes model at the date of grant.

7. REMUNERATION OF KEY MANAGEMENT PERSONNEL

The key management personnel of the Group are considered to be the directors. Total remuneration of the directors is stated in Note 6 to these financial statements.

8. INTEREST RECEIVABLE AND SIMILAR INCOME

	2020 Group £'000	2019 Group £'000
Bank interest	6	11
	6	11

9. INTEREST PAYABLE AND SIMILAR EXPENSES

	2020 Group £'000	2019 Group £'000
Interest on bank loan	7,545	7,170
Other interest payable	287	94
Monitoring fees	25	5
Commitment fees	178	606
Amortisation of borrowings arrangement fees	653	672
	8,688	8,547

CSM Finance Limited

Notes to Consolidated Financial Statements

For the year ended 31 December 2020

10. TAX ON LOSS

a) Income tax	2020 £'000	2019 £'000
<i>Current income tax</i>		
Current tax on loss for the year	(461)	3,031
Total current income tax	(461)	3,031
<i>Deferred tax</i>		
Reversal of timing differences (see note 19)	(2,129)	(2,260)
Impact of change in tax rate	-	-
Total deferred tax credit	(2,129)	(2,260)
Tax charge in the Consolidated Income Statement	(2,590)	771
	2020 £'000	2019 £'000
Loss before income tax	(53,949)	(23,665)
Standard tax rate	19.00%	19.00%
Loss before tax multiplied by standard tax rate	(10,250)	(4,496)
Effects of:		
Expenses not deductible for tax purposes	7,447	4,922
Capital allowances in excess of depreciation	(41)	23
Amortisation of intangibles recognised on acquisition	135	2,224
Prior year adjustment	119	-
Overseas tax rate adjustment	-	358
Total tax charge	(2,590)	3,031

Changes to the UK corporation tax rates were substantively enacted as part of Finance Bill 2016 (on 7 September 2016). This included a reduction to the main rate of corporation tax to 17% from 1 April 2020. However, in the UK budget on 11 March 2020, it was announced that the cut in tax rate to 17% will not occur and the UK corporation tax rate will instead remain at 19%. Deferred taxes at the balance sheet date have been measured using this enacted tax rate and are reflected in these financial statements.

CSM Finance Limited

Notes to Consolidated Financial Statements
For the year ended 31 December 2020

11. INTANGIBLE ASSETS

Group	Goodwill £'000	Marketing related intangible assets £'000	Customer related intangible assets - Customer relationships £'000	Customer related intangible assets - Order backlogs £'000
Cost:				
1 January 2020	158,120	178,270	24,186	1,590
On acquisition (note 22)	5,523	9,446	-	-
Additions	293	-	-	-
Transfers	-	-	-	-
Disposals	-	-	-	-
Foreign exchange	207	19	-	-
31 December 2020	164,143	187,735	24,186	1,590
Accumulated Amortisation:				
1 January 2020	16,167	11,707	2,505	1,590
Charge for the period	16,614	12,291	2,419	-
Disposals	-	-	-	-
Impairment (note 5)	-	-	-	-
Foreign exchange	-	-	-	-
31 December 2020	32,781	23,998	4,924	1,590
Net book value 31 December 2020	131,362	163,737	19,262	-

Group	Website £'000	Licences and other intangibles £'000	Assets under construction £'000	Total £'000
Cost:				
1 January 2020	678	1,766	322	364,932
On acquisition (note 22)	-	66	-	15,035
Additions	352	387	126	1,158
Transfers	-	322	(322)	-
Disposals	(39)	-	-	(39)
Foreign exchange	(9)	(12)	-	205
31 December 2020	982	2,529	126	381,291
Accumulated Amortisation:				
1 January 2020	351	365	-	32,685
Charge for the period	210	302	-	31,836
Disposals	(14)	(61)	-	(75)
Impairment (note 5)	-	-	-	-
Foreign exchange	(5)	(4)	-	(9)
31 December 2020	542	602	-	64,437
Net book value 31 December 2020	440	1,927	126	316,854

CSM Finance Limited

Notes to Consolidated Financial Statements

For the year ended 31 December 2020

11. INTANGIBLE ASSETS (continued)

Group	Goodwill £'000	Marketing related intangible assets £'000	Customer related intangible assets - Customer relationships £'000	Customer related intangible assets - Order backlogs £'000
Cost:				
On acquisition (note 22)	158,934	178,270	24,186	1,590
Additions	-	-	-	-
Disposals	-	-	-	-
Foreign exchange	(814)	-	-	-
31 December 2019	158,120	178,270	24,186	1,590
Accumulated Amortisation:				
Charge for the period	15,978	11,707	2,505	1,590
Disposals	-	-	-	-
Impairment (note 5)	189	-	-	-
Foreign exchange	-	-	-	-
31 December 2019	16,167	11,707	2,505	1,590
Net book value 31 December 2019	141,953	166,563	21,681	-

Group	Website £'000	Licences and other intangibles £'000	Assets under construction £'000	Total £'000
Cost:				
On acquisition (note 22)	481	1,469	-	364,930
Additions	206	330	322	858
Disposals	-	-	-	-
Foreign exchange	(9)	(33)	-	(856)
31 December 2019	678	1,766	322	364,932
Accumulated Amortisation:				
Charge for the period	359	375	-	32,514
Disposals	-	-	-	-
Impairment (note 5)	-	-	-	189
Foreign exchange	(8)	(10)	-	(18)
31 December 2019	351	365	-	32,685
Net book value 31 December 2019	327	1,401	322	332,247

Goodwill, Marketing related intangible assets and Customer related intangible assets are allocated across multiple Cash Generating Units which represent the verticals in which the Group is managed by the board of directors.

CSM Finance Limited

Notes to Consolidated Financial Statements

For the year ended 31 December 2020

11. INTANGIBLE ASSETS (continued)

The Group consists of five separate Cash Generating Units (CGU's) which are as follows:

- i) CGU 1: Healthcare & Medical;
- ii) CGU 2: Vet;
- iii) CGU 3: Technology;
- iv) CGU 4: Learning Technology; and
- v) CGU 5: Ecommerce

The company had no intangible assets in 2019.

12. TANGIBLE ASSETS

Group	Leasehold improvements £'000	Office equipment £'000	Fixtures and fittings £'000	Total £'000
Cost:				
1 January 2020	302	613	709	1,624
On acquisition (note 22)	-	121	305	426
Additions	28	116	16	160
Disposals	9	52	(48)	13
Foreign exchange	(1)	29	78	106
31 December 2020	338	931	1,060	2,329
Accumulated Depreciation:				
1 January 2020	78	274	145	497
Charge for the year	89	305	357	751
Disposals	-	-	-	-
Foreign exchange	(1)	15	(4)	10
31 December 2020	166	594	498	1,258
Net book value 31 December 2020	172	337	562	1,071

Group	Leasehold improvements £'000	Office equipment £'000	Fixtures and fittings £'000	Total £'000
Cost:				
On acquisition (note 22)	99	331	242	672
Additions	203	282	483	968
Disposals	-	-	-	-
Foreign exchange	-	-	(16)	(16)
31 December 2019	302	613	709	1,624
Accumulated Depreciation:				
Charge for the period	69	275	163	507
Disposals	-	-	-	-
Foreign exchange	9	(1)	(18)	(10)
31 December 2019	78	274	145	497
Net book value 31 December 2019	224	339	564	1,127

CSM Finance Limited

Notes to Consolidated Financial Statements
For the year ended 31 December 2020

13. INVESTMENTS

Company

Cost and Net Book Value	Shares in group undertakings	
	2020 £'000	2019 £'000
At 1 January	192,235	–
Additions	–	192,235
At 31 December	192,235	192,235

On 19 December 2018 CloserStill Exhibitions Limited acquired CloserStill Media Holdings Limited and all associated subsidiary companies.

The consolidated financial statements include the results of all subsidiaries as listed below. Certain subsidiaries have taken the exemption from an audit for the year ended 31 December 2020 by virtue of s479A of Companies Act 2006. In order to allow these subsidiaries to take the audit exemption, CSM Finance Limited has provided a guarantee to these subsidiaries, in accordance with s479C. This guarantees that CSM Finance Limited will support these subsidiaries in full going forward, will not recall any loans and will provide financial support if it should be required. The subsidiaries which have taken an exemption from an audit for the year ended 31 December 2020 by virtue of s479A Companies Act 2006 are noted in the table below.

Company	Effective share holding	Registered	Principal activity
[^] CloserStill Finance Limited	100%	England ¹	Intermediary holding company
^{^^} CloserStill Acquisitions Limited	100%	England ¹	Intermediary holding company
[^] CloserStill Cloud Expo Europe France Limited	100%	England ¹	Organisation of exhibitions
[^] CloserStill Smart IOT Limited	100%	England ¹	Organisation of exhibitions
[^] CloserStill Cloud Security Expo Limited	100%	England ¹	Organisation of exhibitions
[^] German Vet Limited	100%	England ¹	Organisation of exhibitions
[^] CloserStill E-Commerce Limited	90%	England ¹	Organisation of exhibitions
[*] CloserStill Learning GmbH	100%	Germany ²	Intermediary holding company
[*] Spring Messe Management GmbH	100%	Germany ¹²	Organisation of exhibitions
[*] OEB Learning Technologies Europe GmbH	100%	Germany ²	Organisation of exhibitions
^{^^} CloserStill Media 1 Limited	100%	England ¹	Intermediary holding company
^{^^} CloserStill Media 2 Limited	100%	England ¹	Intermediary holding company
^{^^} CloserStill Media 3 Limited	100%	England ¹	Intermediary holding company
[^] France Vet Limited	100%	England ¹	Organisation of exhibitions
^{^^} CloserStill Media Limited	100%	England ¹	Organisation of exhibitions
[*] CloserStill Learntech Asia Pte. Limited	90%	Singapore ³	Organisation of exhibitions
[*] Cloud Expo Asia Pte. Limited	100%	Singapore ³	Organisation of exhibitions
[^] CloserStill Nominees Limited	100%	England ¹	Holder of employee shares
[^] CloserStill Powering The Cloud Limited	100%	England ¹	Organisation of exhibitions
[^] Pharmagora Limited	100%	England ¹	Organisation of exhibitions
[*] CloserStill Media Hong Kong Limited	100%	Hong Kong ⁴	Organisation of exhibitions
[^] CloserStill Big Data Limited	100%	England ¹	Organisation of exhibitions

CSM Finance Limited

Notes to Consolidated Financial Statements
For the year ended 31 December 2020

13. INVESTMENTS (continued)

*CloserStill Vet US LLC	100%	USA ⁵	Organisation of exhibitions
*CloserStill France SARL	100%	France ⁶	Organisation of exhibitions
*^DE France Limited	85%	England ¹	Organisation of exhibitions
*Big Data World Europe GmbH	50.01%	Germany ²	Organisation of exhibitions
*^CloserStill France Limited	100%	England ¹	Intermediary holding company
*CloserStill MVM LLC	80%	USA ⁷	Intermediary holding company
*Modern Veterinary Media Inc	80%	USA ¹⁰	Organisation of exhibitions
*Wild West Veterinary Conference LLC	80%	USA ¹⁰	Organisation of exhibitions
*Chicagoland Veterinary Conference LLC	80%	USA ¹⁰	Organisation of exhibitions
*CloserStill Learning Technologies LLC	100%	USA ⁷	Intermediary holding company
*CSM Learning LLC	100%	USA ⁸	Organisation of exhibitions
*FocusZone Media Inc	80%	USA ⁹	Organisation of exhibitions
*^CloserStill Exhibitions Limited	100%	England ¹	Intermediary holding company
*^CloserStill Media Holdings Limited	100%	England ¹	Intermediary holding company
*^Healthcare Publishing & Events Limited	100%	England ¹	Organisation of exhibitions
*Interalia, Ferias Profesionales y Congresos, S.A.	80%	Spain ¹¹	Organisation of exhibitions
*CloserStill Tecnologia SL	100%	Spain ¹¹	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.

^Subsidiaries audit exempt under s479A-C of the Companies Act 2006

¹ Registered Address: Exhibition House, Addison Bridge Place, London, W14 8XP

² Registered Address: Leibnizstrasse 32, 10625 Berlin

³ Registered Address: 138 Cecil Street, 12-01A Cecil Court, Singapore 069538

⁴ Registered Address: 2201-07, Tower 2, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong

⁵ Registered Address: 33 Irving Place, New York, NY, 10003, USA

⁶ Registered Address: 115 Rue de Cardinet, 75017 Paris, France

⁷ Registered Address: 1675 S State St Ste B, Dover, Kent, DE, USA, 19901

⁸ Registered Address: 3500 S Dupont Hwy, Dover, Kent, DE, USA, 19901

⁹ Registered Address: 8932 Oak Grove Ave, Sebastopol, CA, USA, 95472

¹⁰ Registered Address: 10 S Jefferson St, Ste 1400, Roanoke, VA, 24011

¹¹ Registered Address: Ave. Diagonal. 474 08006 Barcelona. Spain

¹² Registered Address: Am Friedensplatz 3, 68165 Mannheim Germany

CSM Finance Limited

Notes to Consolidated Financial Statements

For the year ended 31 December 2020

14. DEBTORS

	Group 2020 £'000	Company 2020 £'000	Group 2019 £'000	Company 2019 £'000
Trade debtors	22,309	—	15,460	—
Amounts owed by Group Undertakings	629	—	529	—
Other debtors	760	—	926	—
Prepayments and accrued income	3,756	—	2,969	—
	27,454	—	19,884	—

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.

Trade debtors are shown above net of a provision for doubtful debts of £1,498k (2019: £552k).

15. CASH AND CASH EQUIVALENTS

	Group 2020 £'000	Company 2020 £'000	Group 2019 £'000	Company 2019 £'000
Cash and cash equivalents	6,466	—	7,848	—
	6,466	—	7,848	—

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2020 £'000	Company 2020 £'000	Group 2019 £'000	Company 2019 £'000
Bank loans and overdrafts	4,595	—	5,712	—
Trade creditors	2,788	—	3,350	—
Amounts owed to Group undertakings	6,077	—	68	—
Other taxation and social security	1,479	—	466	—
Other creditors	4,570	—	1,569	—
Corporation tax	1,415	—	2,142	—
Accruals and deferred income	50,143	—	35,546	—
	71,067	—	48,853	—

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. This relates to working capital injection during the year.

17. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group 2020 £'000	Company 2020 £'000	Group 2019 £'000	Company 2019 £'000
Bank loans and overdrafts	129,727	—	111,233	—
	129,727	—	111,233	—

CSM Finance Limited

Notes to Consolidated Financial Statements

For the year ended 31 December 2020

17. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR (continued)

Included in borrowings is a bank loan of £110m which is subject to interest at the rate of LIBOR plus 5.25%. The Group also has a £35m acquisition facility of which £17.1m (2019: £5.1m) has been utilised in the period, and this is subject to interest at the rate of EURIBOR plus 5.25%. The maturity date for these loans is 19 December 2025. The Group has a revolving credit facility of £5m which is subject to an interest rate of 3% and has a maturity date of 19 December 2023. The Group bank loans are shown net of funding fees of £3.2m.

The bank loan facilities are secured by guarantees from certain Group companies and by fixed and floating charges over certain of the assets of a number of the Group's companies.

18. FINANCIAL INSTRUMENTS

The carrying amount of the financial instruments were:

	Group 2020 £'000	Company 2020 £'000	Group 2019 £'000	Company 2019 £'000
Financial assets that are debt instruments measured at amortised costs:				
Trade debtors (note 14)	22,309	-	15,460	-
Cash at bank and in hand	6,466	-	7,848	-
	28,775	-	23,308	-
Financial liabilities measured at amortised cost:				
Trade creditors (note 16)	2,788	-	3,350	-
Bank loans and overdrafts (note 16 & 17)	134,322	-	116,945	-
	137,110	-	120,295	-

19. PROVISIONS FOR LIABILITIES

Deferred tax

Deferred tax primarily relates to timing differences on acquired intangible assets and reverses proportionately in line with the amortisation profile of the asset and the expected corporation tax rates.

Group	2020			2019		
	Intangible assets	Accelerated capital allowances	Total	Intangible assets	Accelerated capital allowances	Total
	£'000	£'000	£'000	£'000	£'000	£'000
1 January	29,232	20	29,252	0	0	0
On acquisition	2,410	-	2,410	31,469	43	31,512
Credit in year	(2,236)	(30)	(2,266)	(2,237)	(23)	(2,260)
Prior year adjustment	-	119	119	-	-	-
31 December	29,406	109	29,515	29,232	20	29,252

Provision for deferred taxation has been made up as follows:

Deferred tax	29,406	109	29,515	29,232	20	29,252
31 December	29,406	109	29,515	29,232	20	29,252

CSM Finance Limited

Notes to Consolidated Financial Statements

For the year ended 31 December 2020

20. CALLED UP SHARE CAPITAL

Group and Company	For the year to 31 December 2020	
	No:	£
Amounts presented in equity:		
Ordinary Shares of £0.01	192,235,630	1,922,356
	192,235,630	1,922,356

On 29 November 2018, 100 £0.01 Ordinary shares were issued for cash at par. On 19 December 2018, 192,235,530 £0.01 Ordinary shares were issued at a premium of £0.99 each resulting in a share premium account of £190,313,175.

Share rights

Voting – Shares rank equally for voting purposes. Each member shall have one vote and on a poll each member shall have one vote per share held.

Dividends – Each share ranks equally for any dividend declared.

Distribution rights on a winding up – Each share ranks equally for any distribution made on a winding up.

21. RESERVES

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

Translation reserve – comprises all foreign exchange differences arising on translation of the financial statements of foreign operations into the reporting currency of the Group.

Accumulated losses – This reserve records retained earnings and accumulated losses.

22. BUSINESS COMBINATIONS

The Group made a number of investments during the year in relation to the acquisition of established exhibitions to expand the market share and geography of the Group's activities. Management have assessed the estimated useful life of the goodwill on these acquisitions to be in excess of 10 years and will amortise the goodwill over 10 years in line with the Group policy.

The following tables summarise the details of the acquisitions, the consideration paid or payable by the Group, the fair value of assets acquired, liabilities assumed and the non-controlling interests at the acquisition date:

CloserStill Media Holdings Limited

On 19 December 2018, the Group acquired control of the CloserStill Media Holdings Limited group of companies through a purchase of 100% of the share capital for total consideration of £127,848k. CloserStill Media Holdings Limited (formerly CloserStill Group Limited) was the previous ultimate parent company of the CloserStill group of companies. Included in the Consolidated Income Statement for the trading of the CloserStill Media Holdings Limited group of companies is revenue of £70,132k and a loss of £15,505k.

CSM Finance Limited

Notes to Consolidated Financial Statements

For the year ended 31 December 2020

22. BUSINESS COMBINATIONS (continued)

Consideration at 19 December 2018:	£'000
Cash	108,474
Shares	14,007
Deferred consideration	2,357
Directly attributable costs	3,010
Total consideration	127,848

For cash flow disclosure purposes the amounts are disclosed as follows:	£'000
Cash consideration	127,848
Less: cash and cash equivalents acquired	(8,552)
Net cash outflow	119,296

Recognised amounts of identifiable assets acquired and liabilities assumed:

	Book values £'000	Adjustments £'000	Fair value £'000
Intangibles	1,950	191,720	193,670
Property, plant and equipment	655	-	655
Trade and other receivables	15,896	-	15,896
Cash and cash equivalents	8,552	-	8,552
Trade and other payables	(52,554)	-	(52,554)
Bank loans	(159,489)	-	(159,489)
Deferred tax liabilities	-	(28,495)	(28,495)
Total identifiable net (liabilities)/assets	(184,990)	163,225	(21,765)
Non - controlling interest			(3,155)
Goodwill			152,768
Total consideration			127,848

Deferred consideration for the purchase of the minority interest in CSM Learning LLC, the payment was split across four equal instalments ending on 31 December 2020.

The adjustments relate to the fair value adjustments of identified intangible assets acquired as part of the acquisition and the associated deferred tax liabilities. This fair value adjustment is split between marketing related and customer related intangible assets, as the intangible assets which can be separately identified on acquisition. Marketing related intangible assets are defined as those assets which are primarily used in the marketing or promotion of services. Customer related intangible assets may consist of customer lists, order backlogs, customer contracts and relationships, and non-contractual customer relationships.

CSM Finance Limited

Notes to Consolidated Financial Statements

For the year ended 31 December 2020

22. BUSINESS COMBINATIONS (continued)

CloserStill Technologia SL

On 3 July 2020, the Group acquired control of CloserStill Technologia SL through a purchase of 100% of the trade and assets for total consideration of £2,626k. CloserStill Technologia SL organises the eBarcelona, eMadrid, eForum, and Top300 shows in Spain. This is complementary to the group's existing Technology business stream. Included in the Consolidated Income Statement for the trading of CloserStill Technologia SL is revenue of £627k and profit of £19k.

Consideration at 3 July 2019:	£'000
Cash	1,162
Deferred consideration	1,200
Directly attributable costs	264
Total consideration	2,626
For cash flow disclosure purposes the amounts are disclosed as follows:	£'000
Cash consideration	1,162
Deferred consideration	160
Directly attributable costs	264
	1,586
Less: cash and cash equivalents acquired	(160)
Net cash outflow	1,426

Recognised amounts of identifiable assets acquired and liabilities assumed:

	Book values	Adjustments	Fair value
	£'000	£'000	£'000
Intangibles	-	3,275	3,275
Trade and other receivables	336	-	336
Cash and cash equivalents	160	-	160
Trade and other payables	(495)	-	(495)
Deferred tax liabilities	-	(819)	(819)
Total identifiable net assets	1	2,456	2,457
Goodwill			169
Total consideration			2,626

Deferred consideration is contingent upon the EBITDA of the acquisition in years 2021 to 2024. This has been calculated in reference to a discounted EBITDA forecast for the years 2021 to 2024.

The adjustments relate to the fair value adjustments of identified intangible assets acquired as part of the acquisition and the associated deferred tax liabilities. This fair value adjustment relates to marketing related intangible assets which can be separately identified on acquisition. Marketing related intangible assets are defined as those assets which are primarily used in the marketing or promotion of services.

CSM Finance Limited

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22. BUSINESS COMBINATIONS (continued)

Healthcare Publishing & Events Limited

On 6 September 2019, the group acquired control of Healthcare Publishing & Events Limited through the purchase of 100% of the share capital for total consideration of £3,167k. Healthcare Publishing & Events Limited organises the Diabetes Professional Care conference in London. This is complementary to the group's existing Healthcare business stream. Included in the Consolidated Income Statement for the trading Healthcare Publishing & Events Limited is revenue of £948k and profit of £337k.

Consideration at 6 September 2019:	£'000
Cash	2,880
Directly attributable costs	287
Total consideration	3,167

For cash flow disclosure purposes the amounts are disclosed as follows:	£'000
Cash consideration	2,880
Directly attributable costs	287
	3,167
Less: cash and cash equivalents acquired	(9)
Net cash outflow	3,158

Recognised amounts of identifiable assets acquired and liabilities assumed:

	Book values	Adjustments	Fair value
	£'000	£'000	£'000
Intangibles	-	1,813	1,813
Trade and other receivables	619	-	619
Cash and cash equivalents	9	-	9
Trade and other payables	(917)	-	(917)
Deferred tax liabilities	12	(310)	(298)
Total identifiable net (liabilities)/assets	(277)	1,503	1,226
Goodwill			1,941
Total consideration			3,167

The adjustments relate to the fair value adjustments of identified intangible assets acquired as part of the acquisition and the associated deferred tax liabilities. This fair value adjustment relates to marketing related intangible assets which can be separately identified on acquisition. Marketing related intangible assets are defined as those assets which are primarily used in the marketing or promotion of services.

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Notes to Consolidated Financial Statements

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22. BUSINESS COMBINATIONS (continued)

Interalia, Ferias Profesionales y Congresos, S.A.

On 18 October 2019, the group acquired control of Interalia, Ferias Profesionales y Congresos, S.A. through the purchase of 80% of the share capital for total consideration of £8,793k. Interalia, Ferias Profesionales y Congresos S.A. organises the Infarma show which alternates between Madrid and Barcelona, Spain. This is complementary to the group's existing Healthcare business stream. Included in the Consolidated Income Statement for the trading of Interalia, Ferias Profesionales y Congresos, S.A. is revenue of £nil and a loss of £151k.

Consideration at 18 October 2019:	£'000
Cash	8,166
Deferred consideration	292
Directly attributable costs	335
Total consideration	8,793

For cash flow disclosure purposes the amounts are disclosed as follows:	£'000
Cash consideration	8,166
Directly attributable costs	335
	8,501
Less: cash and cash equivalents acquired	(1,632)
Net cash outflow	6,869

Recognised amounts of identifiable assets acquired and liabilities assumed:

	Book values	Adjustments	Fair value
	£'000	£'000	£'000
Intangibles	-	7,238	7,238
Property, plant and equipment	17	-	17
Trade and other receivables	488	-	488
Cash and cash equivalents	1,632	-	1,632
Trade and other payables	(1,640)	-	(1,640)
Deferred tax liabilities	(49)	(1,810)	(1,859)
Total identifiable net assets	448	5,428	5,876
Non - controlling interest			(1,139)
Goodwill			4,056
Total consideration			8,793

Deferred consideration is contingent upon the final and binding renewal of the venue in which the event is held, and discounted to present value.

The adjustments relate to the fair value adjustments of identified intangible assets acquired as part of the acquisition and the associated deferred tax liabilities. This fair value adjustment relates to marketing related intangible assets which can be separately identified on acquisition. Marketing related intangible assets are defined as those assets which are primarily used in the marketing or promotion of services.

CSM Finance Limited

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For the year ended 31 December 2020

22. BUSINESS COMBINATIONS (continued)

Messe

On 16 January 2020, the group acquired control of Spring Messe Management GmbH through the purchase of 100% of the share capital for total consideration of £11,478k. Spring Messe Management GmbH organises the Corporate Health Convention, Zukunft Personal Europe, Zukunft Personal North and Zukunft Personal Süd events. This acquisition expands the Group's German operations which already include veterinary, corporate learning and development and technology event brands.

Consideration at 16/01/2020:	£'000
Cash	10,331
Shares	-
Deferred consideration	-
Directly attributable costs	1,147
Total consideration	11,478

For cash flow disclosure purposes the amounts are disclosed as follows:	£'000
Cash consideration	11,478
Less: cash and cash equivalents acquired	(143)
Net cash outflow	11,335

Recognised amounts of identifiable assets acquired and

	Book values	Adjustments	Fair value
	£'000	£'000	£'000
Intangibles	4	6,147	6,151
Property, plant and equipment	490	-	490
Trade and other receivables	701	-	701
Cash and cash equivalents	143	-	143
Trade and other payables	(1,482)	-	(1,482)
Bank loans	-	-	-
Deferred tax liabilities	-	(1,845)	(1,845)
Total identifiable net (liabilities)/assets	(144)	4,302	4,158
Non - controlling interest			-
Goodwill			7,320
Total consideration			11,478

CSM Finance Limited

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For the year ended 31 December 2020

22. BUSINESS COMBINATIONS (continued)

London Dentistry Show

On 21 December 2020, the group acquired the business and assets on the London Dentistry Show from Finlayson Media Limited for total consideration of £577k.

Consideration at 21/12/2020:	£'000
Cash	60
Shares	-
Deferred consideration	451
Directly attributable costs	66
Total consideration	577

For cash flow disclosure purposes the amounts are disclosed as follows:	£'000
Cash consideration	61
Less: cash and cash equivalents acquired	-
Net cash outflow	61

Recognised amounts of identifiable assets acquired and

	Book £'000	Adjustments £'000	Fair £'000
Intangibles	-	3,299	3,299
Property, plant and equipment	-	-	-
Trade and other receivables	-	-	-
Cash and cash equivalents	-	-	-
Trade and other payables	-	-	-
Bank loans	-	-	-
Deferred tax liabilities	-	(565)	(565)
Total identifiable net (liabilities)/assets	-	2,734	2,734
Non - controlling interest			-
Goodwill			(1,800)
Deferred consideration			(357)
Total consideration			577

23. COMMITMENTS UNDER OPERATING LEASES

The total future aggregate minimum lease payments under non-cancellable operating leases for each of the following periods are as follows:

	Group 2020 £'000	Company 2020 £'000	Group 2019 £'000	Company 2019 £'000
Within one year	808	-	982	-
Within one and five years	1,758	-	1,261	-
after five years	498	-	88	-
	3,064	-	2,331	-

The operating leases predominantly relate to properties in the UK, US, Singapore, Hong Kong, France, and Spain.

CSM Finance Limited

Notes to Consolidated Financial Statements

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24. CAPITAL COMMITMENTS

As at 31 December 2020, the Group had capital commitments for an ERP system of £862k (2019: £2,051k).

25. RELATED PARTY TRANSACTIONS

Transactions between the Group/Company and its related parties are disclosed below:

	2020 £'000	2019 £'000
Costs recharged by Group companies	3,185	3,253
Costs recharged to Group companies	4,996	4,255
Amounts owed by related parties at year end	30,276	7,838
Amounts owed to related parties at year end	25,797	1,808
	64,254	17,154

Transactions comprised recharges for staff salaries, expenses and Group management charges.

Company	CloserStill Vet US LLC	CloserStill Vet US LLC
Non-controlling interest (NCI) acquired	20.0%	4.9%
Consideration	£'000	£'000
Initial consideration	375	-
Total consideration	375	-
Intangible fixed assets	3,001	3,001
Tangible fixed assets	60	47
Debtors	2,563	2,144
Cash	142	333
Creditors falling due in less than 1 year	(6,588)	(5,994)
Net liabilities	(822)	(469)
Share net liabilities acquired	(164)	(23)
Excess consideration over NCI	211	(23)

On 21 November 2020, the Group acquired 4.9% of the share capital in CloserStill Vet US LLC, a company incorporated in the US. On 16 December 2020, the Group acquired the remaining 20.0% of the share capital in CloserStill Vet US LLC.

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26. ULTIMATE CONTROLLING PARTY

The Group is owned by Providence Equity Partners (who own a controlling 65% stake) and by the management team and certain employees who retain the remaining equity.

The ultimate parent undertaking and ultimate controlling party is Providence Equity Partners VIII L.P. (Cayman Islands), which is one of the holding companies for Providence Fund VIII.

The immediate parent undertaking in the UK is CloserStill Group Limited (formerly CSM Topco Limited). The consolidated financial statements of CloserStill Group Limited (formerly 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.

27. EVENT OCCURRING AFTER THE BALANCE SHEET DATE

There were no events after the balance sheet date.

28. RECONCILIATION OF MANAGEMENT EBITDA

Management EBITDA* as presented in the strategic report can be reconciled to operating loss as follows:

	2020	2019
	£'000	£'000
Continuing operating loss	(45,267)	(15,129)
Amortisation	31,836	32,514
Depreciation	751	507
Exceptional items	5,210	189
Management exceptional items	1,041	2,305
Foreign exchange	422	289
Share based payments	945	797
Management EBITDA*	(5,062)	21,472

Management exceptional items reflect items which individually or, if of a similar type, in aggregate, are disclosed separately due to their size or incidence in order to obtain clear and consistent presentation of the Group's performance. Significant management exceptional costs during the year include one off costs relating to business development costs in reviewing leads for new launches and potential acquisitions, i.e. costs that do not relate to the running of current year shows.

** Management EBITDA is a non-GAAP measure used to monitor the performance of the business and is defined as operating profit before depreciation, amortisation management exceptional items and accounting for non-cash share-based payments to employees*

S479C Guarantee for period ending 31 December 2020

The board agree that CSM Finance Limited will provide a guarantee to the subsidiaries listed below in Appendix 1. This guarantees that CSM Finance Limited will support the subsidiaries listed in appendix 1 in full going forward, will not recall any loans and will provide financial support if it should be required.

Appendix 1

Closersstill Exhibitions Limited	11703966
Closersstill Media Holdings Limited	09465374
Closersstill Finance Limited	09465503
Closersstill Acquisitions Limited	09465855
Healthcare Publishing & Events Limited	08914745
Closersstill Cloud Expo Europe France Limited	09671112
Closersstill Cloud Security Expo Limited	09670838
Closersstill Smart IOT Limited	09670929
Closersstill Media 1 Limited	08012047
Closersstill Media 2 Limited	08007583
Closersstill Media 3 Limited	08006877
Closersstill Powering the Cloud Limited	08916559
Closersstill Media Limited	05816917
France Vet Limited	06413038
Pharmagora Limited	08952997
German Vet Limited	10198567
Closersstill Big Data Limited	10472840
Closersstill France Limited	11139272
Closersstill Nominees Limited	08707121
DE France Limited	11449349
ClosersStill E-commerce Limited	10878075
ClosersStill Limited	11703673

Yours faithfully

For and on behalf of the CSM Finance Limited



G G T Bowhill
Director

Approved by the board on 06 December 2021