Company Registration No. 11703504

CloserStill Group Limited

Annual Report and Consolidated Financial Statements

for the year to 31 December 2022

CloserStill Group Limited

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For the year to 31 December 2022

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CloserStill Group Limited
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For the year to 31 December 2022

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CloserStill Group Limited
Strategic Report
For the year to 31 December 2022

The directors present their Strategic Report for CloserStill Group Limited for the year to 31 December 2022.

Principal activities

The principal activity of the Company during the year was to act as the ultimate holding company for the CloserStill Group of companies which operate content-led exhibitions, conferences and hosted buyer meetings throughout the UK, Continental Europe, USA and Asia.

Business review

In 2022 the CloserStill trading Group delivered its largest ever revenues and gross profits, marking a return to strong profitable growth post Covid pandemic. For the first time since 2019 due to the restrictions imposed by the Covid pandemic, the Group ran a full suite of events in 2022. Revenue in total, on a like for like basis, grew over 15% versus 2019. Event attendance was up versus 2021 and close to or above 2019 levels for many shows. Operating cash in the year was strong, reflecting the growth in sales albeit three of the Group's largest events were postponed from their 2020 editions and therefore cash was collected over the elongated period and for that reason operating cash for 2022 still does not represent a full or normal cycle.

In addition to the strong trading performance of the Group, 2022 marked a year in which significant progress was made in (i) M&A strategy (evidenced by the acquisition of Influence Group in December 2019 and the acquisitions of OpenRoom Events and CommerceNext in early 2023), (ii) Organic Product Launches (such as British Veterinary Association Live and Oncology Professional Care launched in the period), and (iii) the Group's enhanced audience acquisition methodologies, with a number of data and digital initiatives successfully piloted at the London Tech 2022 edition and now being rolled out across the group.

The results for the year are set out below:

Review of business performance & key performance indicators

Financial performance indicators:	**2022 £'000**	**2021 £'000**
Revenue	104,281	31,352
Gross profit	64,397	17,843
Management EBITDA*	27,096	(2,532)
Net cash generated from / (used) in operating activities	20,117	(2,684)
Non-financial performance indicators:	**No.**	**No.**
Attendees at CloserStill events		
- Physical	293,893	81,851
- Virtual	306	49,910

**Management EBITDA is reconciled to Operating Loss in note 27 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*

The results above show significant growth versus 2021 which was materially impacted by the pandemic. 2021 results mainly reflected Q4 event activities as the Group returned to trading in that period in the UK. Generally, 2021 reflected a return to face-to-face events in Spain and UK, predominantly, from the fourth quarter alongside a slower post pandemic response in the US and Germany.

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Business review *(continued)*

The Group's performance in 2022 has been strong and delivered in line with the budget set out by management at the end of 2021. The results show continued growth versus 2019 (the last full year of show results). The most notable individual show revenue growth versus 2019 was seen in Singapore Tech Week (64%), Frankfurt Tech (73%) and Ecommerce UK (33%) as these shows benefited from an elongated booking cycle and a substantial pent-up need for face-to-face events in the region and sector. 2022 also saw the first events run under CloserStill ownership on a number of Q4 2019 / Q1 2020 acquisitions, in particular Infarma and the Zukunft Personal ("ZP") events. Infarma Madrid was hugely successful in delivering revenue growth and an audience of close to 30,000 attendees. The German acquisition of the ZP events were harder hit through the pandemic, due to stricter Covid regulatory landscape in the region. Consequently, revenues were lower than the 2019 edition, however strong marketing and content with well-known speakers delivered a big audience and re-affirmed its position as #1 in the German HR technology market and a must attend event for its 0audience.

The UK London Tech event ran in 2022, being the first edition since March 2020. Due to the timing of the last event the forward bookings taken on site in 2020 were minimal and consequently over the period since the last 2020 edition the show was relaunched with strong marketing and audience initiatives implemented. There was significant investment in the 2022 speaker programme, with Tim Berners-Lee opening the event. The 2022 edition of the show was highly successful with positive feedback putting the event firmly back in annual calendar for exhibitors and visitors and generating a significant growth in forward bookings taken on site for 2023.

Influence Group was acquired in December 2021, and therefore 2022 was the first year under CloserStill ownership. The Influence Group events are highly successful and for 2022 included two new launches with a plan to launch two further events in 2023. Influence Group contributed £2.8m to the EBITDA of the Group in 2022.

The Group also continues to invest in organic growth through new launches. In 2022, three new events were delivered over and above the two from Influence Group. British Veterinary Association Live – a Vet show at the NEC supported by the British Veterinary Association. Two further launches include Oncology Professional Care and The Jewellery Show.

Gross margin overall has reduced versus 2019. The lower margin acquisitions in ZP events and Infarma contributed 190bps. For the ZP events the sales were lower than a normalised year and so exacerbated the margin impact, but the management also chose to invest in marketing and content with high profile speakers across the wider portfolio, to drive the delegate acquisition post pandemic and ensure onsite delivery. Management believes these investments will have a positive impact on growth in future periods.

In 2022 the business further invested in the digital and data strategy of the Group. Management believe it is critical to the growth of the events to be able to continue to drive deeper and more personalised knowledge of its audiences, in order to achieve (i) more effective marketing to deliver higher quality audiences, (ii) to drive connections and meetings between delegates and exhibitors and (iii) to provide an audience understanding that can enable further product developments in future periods.

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Business review *(continued)*

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 with monthly and quarterly management accounts. These requirements were waived through to June 2023 under the revised Senior Finance Agreement, however the Group chose to submit the covenant compliance certificate for the quarter ended 31 December 2022 which demonstrated compliance in line with the original 2018 facilities agreement. During the Covid-19 period, the Group received significant cash support from its majority investor Providence Equity Partners (PEP) via £23.5m cash drawn through an Equity Commitment Letter (ECL) signed in 2020. The ECL commitment was £32m

with £8.5m remaining available until the ECL was reduced to £0 in December 2022.

2022 operating cashflow of £20.1m reflects a strong return to events and has been underpinned by the successful collection cycles of pre-show activity in 2022. All brought forward deferred revenue from pre-2022 was unwound in 2022 due to the full cycle of events delivered, albeit with three large shows occurring that were postponed from the cancelled 2020 edition and for whom cash was collected over the stranded period, cash inflow from debtors was lower than in a normal year.

As at 31 December 2022 the Group has net current assets £34.8m, including £53m cash secured on 31 December as a Providence fund level facility guaranteed by Limited Partners in order to support future M&A activity. These funds were partly utilised in January 2023 to purchase two acquisitions and to buy back £21.8m preference shares and loan notes.

Results and dividends

The total comprehensive loss attributable to the owners of the Group after taxation and minority interests for the financial year was £16.5m (2021: £70.4m), due to the levels of predominantly non-cash administrative expenses and interest payable charges arising from the highly leveraged capital structure, which is not uncommon for private equity backed businesses. The directors do not recommend a dividend.

Acquisitions

An active M&A strategy is a key part of the Group's long term strategic aims to build shareholder value and opportunities for employee career development. During the year the in-house team was further strengthened and continued to pursue a number of potential acquisition opportunities.

In December 2022 the minority shareholding in Interalia, Ferias Professionales y Congresos SA was purchased for £2.7m.

Two new acquisitions were signed in December, both completing in January 2023. OpenRoom Events Holdings Limited ("OpenRoom") was purchased for £10.6m, a hosted buyer type business based in the UK similar to that of Influence Group, which was purchased end of 2021. OpenRoom, mainly focuses on healthcare events but also includes a petrol forecourt element. The events are organised across Europe and the US. The acquisition is for 70% with further option to acquire the remaining 30% after 2024. CommerceNext was acquired for £5.8m for a 51% stake. CommerceNext LLC ("CommerceNext") is an ecommerce US based company that runs a 2-day conference led event in New York with other revenues coming from dinners and parties throughout the year. There is a further opportunity to acquire the remaining 20% and 29% after 2024 and 2025 respectfully.

The acquisitions were funded partly by cash on Balance Sheet and partly via debt guaranteed by PEP.

Further information on the Group's acquisitions has been detailed in note 21 of the financial statements.

Outlook

Following a successful 2022 management has set out a plan for 2023 underpinned by further significant organic growth, to be further boosted by the January 2023 acquisitions. This growth is supported by a book of contracted business which is 21% higher than the equivalent position in 2022 on a like for like basis.

Q1 2023 has been delivered in line with expectations. Events delivered include the successful Tech Show London event at ExCeL in March 2023. Following on from the success of the event on 2022 and the drive of new data and marketing tools the event is now positioned as a #1 must attend UK event with attendees of over 22,000. Early post show results indicate a high satisfaction score and with significantly more meetings booked and attended between buyers and sellers. Infarma Barcelona ran in March with growth of 12% versus 2022 and 23% versus the 2019 edition (pre CloserStill ownership). Pharmagora also ran in Paris in March delivering growth against 2022 and an impressive 30% versus the 2019 edition. New launch Best Practice London, geo-adapted from the Birmingham event which runs in Q3, ran for the first time in March and surpassed expectations. Other events delivered in Q1 2023 include the successful Learning Technology France event in February which ran alongside a strong year 1 launch - HR Technologies France. OpenRoom since acquisition also has run two events successfully and remains in line with expectations set out in the acquisition case.

Sales for the Group have been strong over the first quarter of 2023 and bookings are in line with expectations with forward bookings already contracted for 2024.

New and innovative launches continue to be a key strategic initiative in order to deliver continued organic growth. 2023 launches include HR Technologies France, as detailed above, which ran in February. A UK version has also been launched to run alongside the hugely successful Learning Technologies event in Excel London in May. Two further 2023 launches include Clinical Pharmacy Congress North, a geo-adaption of the London event which runs in May, and Women's Health Professional Care. Influence Group have two new launches for 2023 and expect to continue to launch new events every year. Further large event launches are under review and planned for 2024.

As at the end of the year the company had £67.9m cash available, an increase of £55.7m on 31 December 2021. Operating cash generated in the year ended 31 December 2022 was £20.1m (2021: cash used of £2.6m). The increase in operating cash generated was predominately due to the strong trading results delivered, albeit as detailed above this does not represent a full and normal event cycle for cash.

As at 31 December 2022 CloserStill Group Ltd received £53,000,000 as a Providence fund level facility guaranteed by Limited Partners. These funds were utilised to support both CommerceNext and OpenRoom acquisitions in January and to buy back £21.8m preference shares and loan notes.

The remaining surplus funds amounts to £20.7m which are to support further 2023 M&A activity.

During 2023 the Group expects to build significant cash funds from operating activities and plans to further support M&A with cash from the Balance Sheet.

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Principal risks and uncertainties

Identifying and managing risk is recognised as an important part of the Board's governance activity, helping us deliver long-term shareholder value. The risks below are those that we consider have the greatest potential impact on our ability to meet our strategic goals. Standard operational risks are the responsibility of all our colleagues to manage and are not listed below as they are not considered CloserStill specific.

Accountability for risk management resides with the Board which sets risk appetite and the tone of risk management as well as completing assessments of our principal risks. A sub-committee of the Board, responsible for considering the audit, receives and considers any relevant feedback on risk and control from the external auditors. The Group does not currently maintain an Internal Audit function. This is considered commensurate with the relative size and complexity of the Group at present but is subject to regular review in the context of management's own risk management and review procedures.

Risk category	Specific risks	Update in the year	Mitigations	Change in risk from prior year
1. Pandemic and venue risk	Government restrictions introduced in response to a pandemic could impact our ability to run events across all geographies. Similarly, unavailability of a venue, whether due to pandemic risk or other events (weather, terrorist incident or disputes with venue owners) would result in event cancellations or postponements, affecting trading results. Employees may be unable to access offices or systems.	All scheduled events for 2022 were able to run in the planned venues and were delivered in compliance with any local regulations. Offices have reopened with safety measures in place together with a general shift to hybrid working practices. The gradual easing of restrictions and vaccine rollouts in the Group's key markets have been a feature of 2022.	The Group has venue cancellation and abandonment insurance in place to reduce the cost the business would incur in the event of any cancellations. The Group also uses terms and conditions which permit customers to 'roll' to subsequent events rather than claim refunds. During 2020 and 2021 the Group developed digital-format delivery methods which continue to complement our in-person formats.	↓
2. Political and economic instability	Across our business we are exposed to the effects of political and economic risks. An economic downturn could reduce demand for exhibition space or event attendance, which could reduce profitability of our events. The impact of 'Brexit' and new immigration laws creates uncertainty in the UK and challenges in recruiting staff. Our Singapore shows can be impacted by 'zero-covid' policies in China.	Many of our geographic locations are facing increase in costs due to the cost-of-living crisis. The GBP exchange rate has exhibited increased volatility in the second half of the year. The Group does not have interest or exchange rate hedges in place, however due to the volatility experienced in the current year. Management will consider whether required in future years.	A high proportion of revenue is sold in advance of future shows, to existing customers, giving a high degree of visibility of revenue and cash. If supplier costs move adversely in the meantime, we will seek to revisit pricing as necessary. In response to higher inflation a Group wide pricing strategy review has been implemented in the year. We have long-standing relationships with key suppliers and work collaboratively to deal with price pressures. We are able to forecast the impacts of interest rate changes and consequently keep hedging strategy under regular review. The Group continues to take a highly disciplined and conservative approach to entering new geographical markets	↑

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Principal risks and uncertainties *(continued)*

Risk category	Specific risks	Update in the year	Mitigations	Change in risk from prior year
3. Strategic	The Group fails to execute its M&A strategy successfully or to properly integrate acquisitions made.	During the year we integrated the newly acquired Influence Group, bringing their systems and budgeting into line with the Group. The M&A team has been strengthened, with a view to identifying and executing high quality opportunities which are capable of rapid adoption of Group best-practices. Two new acquisitions completed in January 2023 with OpenRoom and CommerceNext.	The Group applies clearly defined criteria to identify and make earnings-enhancing acquisitions, with strong recurring revenue streams, that are complementary to the Group's existing portfolio. The in-house M&A team engages experienced professional advisors to perform financial, tax and legal diligence appropriate to the size and complexity of the target company. Likewise, commercial due diligence informs post-acquisition integration plans. The Group has extensive experience of integrating acquisitions. Where possible deals are structured so that vendors retain a minority interest, with an incentivisation in the form of options for the sale/purchase of this stake.	⟷
4. Financial and liquidity	Insufficient balance sheet strength and liquidity can negatively impact our ability to execute strategy and our ability to operate within and secure committed credit facilities. One of the effects of economic downturns in markets could be a delay in bookings and lengthening of cash receipts profile which would require increased working capital investment even if profitability was not impacted.	The Group is ordinarily highly cash generative and this has been the case in 2022 as events have run as per forecast. Closing cash at December 2022 was £67.8m (2021: £12.2m), including a £53.0m Providence fund level facility guaranteed by Limited Partners . Dividends have been successfully repatriated from certain subsidiaries in the year, though when these include non-controlling interests, a proportionate share of these are paid to owners outside the Group. The Group in 2022 was obliged to maintain a minimum liquidity of £5m at each month end. This requirement is no longer required since the group delivered a covenant compliance certificate showing leverage of below 5x. Further detail, including the Directors conclusions on going concern is set out in the Directors' Report and note 1 to the financial statements below.	During the pandemic we agreed revisions to the Senior Finance Agreement which ensured sufficient liquidity under a 'no-event' scenario until March 2023 as well as the waiver of financial covenants through to June 2023. The maturity of the bank loans with Hayfin is December 2025. During the pandemic period we secured cash support of £23.5m from our majority investor Providence Equity Partners through drawn downs against a £32m Equity Commitment Letter facility. This has now been cancelled. The Group has a revolving credit facility of £5m which expires on 19 December 2023, but which has been renegotiated for extension up to June 2025.	↓

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Principal risks and uncertainties *(continued)*

Risk category	Specific risks	Update in the year	Mitigations	Change in risk from prior year
5.Regulatory compliance	As a global business we are subject to multiple regulations. Failure to comply with these can lead to fines, penalties, reputational risk and competitive disadvantage. In particular, the Group holds and uses customer data which is subject to various and evolving data protection and privacy regulations in different geographies. Changes in regulations could impact our business model in certain jurisdictions, requiring us to adapt practices.	Various governments introduced sanctions in 2022 in respect of the situation in Ukraine. To date, there has been very limited impact on the Group. During the year a Group-wide 'data audit' was performed by external advisors with recommendations which are being progressively implemented. We also refreshed our methodology for implementing charges across different tax jurisdictions and continued to monitor risks such as Permanent Establishment, VAT compliance and the proper application of Double Tax Treaties. Our HR policies are being progressively updated and we are looking at refreshing our whistleblowing procedures.	The maintenance of a risk register, updated at least quarterly, helps monitor regulatory risks and changes in the regulatory environment. A compliance manager has been appointed with a Group-wide remit to manage data governance, monitor developments and adherence to regulations. We have relevant in-house legal expertise, supported by professional advisors. Together they monitor changes and emerging best practice. HR policies and procedures are in place and regularly refreshed.	⟷
6. People	Effective people management, succession planning and attracting and retaining talent are all critical to us achieving our strategic objectives. Failure to recruit sufficient and appropriate staff can impact our ability to successfully deliver events. The wider exhibitions industry is perceived to have suffered a loss of resource during Covid which has not been fully replaced and this can indirectly impact our ability to launch and run events.	Staff numbers have increased in the year from 330 to 384. We extended our UK graduate 'bootcamp' programme during the year providing a paid 8-week programme for 11 graduates to be immersed in sales, marketing and operations. We offered every graduate the chance to interview for a permanent role, with a 100% take-up rate. We participated in a UK industry-wide HR survey in the year and the results were used to inform aspects of our HR, recruitment and remuneration decisions.	New starters are regularly invited to CEO breakfasts which enable them to interact with senior management and understand wider Group strategy. Employees own 35% of the Group's share capital which, together with regular employee communications and newsletters, helps generate a high degree of employee engagement. Where resource pressures are particularly acute the Group is able to implement alternate delivery models such as licencing shows or changing event dates.	⟷

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Principal risks and uncertainties *(continued)*

Risk category	Specific risks	Update in the year	Mitigations	Change in risk from prior year
7. Systems and data	The loss, failure, or external intrusion of the Group's systems (both customer-facing and internal) could have a significant impact on business performance, reputation and security of customer and business information and data. Data losses could expose the Group to fines in certain jurisdictions.	During the year a Group-wide 'data audit' was performed by external advisors with recommendations which are being progressively implemented. Likewise, a Cyber Security review was carried out with actions identified. We have employed a data compliance manager during the year.	All new joiners are required to undertake training to improve awareness of cyber security / phishing attacks. Regular systems upgrades are implemented together with Multi-Factor Authentication where possible and vulnerability scanners. Our systems are increasingly maintained in the Cloud, with alternative methods of access and daily back-ups The Group implements solutions provided by large and trusted providers such as Microsoft and Salesforce.	↔

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.

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 engaged by the Group 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.

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.

Suppliers

Key Suppliers include the show venues. 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.

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 have 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 and temporary staff are used to support overseas events, limiting the number of flights taken.

Where possible event supplies are recycled or reused. Aisle carpet is recycled into other plastic products rather than going to landfill. 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 venues to communicate expected attendance numbers so as to limit 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, reusable water cups and 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; at London Excel food that cannot be donated to charity is passed to the wormery and we encourage exhibitors to be sustainable through running competitions for best use of recycled show collateral.

Streamlined Energy and Carbon Reporting (SECR)

The Group is exempt from the SECR disclosure regime as a low energy user based on an analysis performed. Based on the conclusion of this analysis, the Group has not presented SECR disclosures as all subsidiary companies are individually small and consumed less than 40khw during the year. The Group intends to keep this matter under review and will consider presenting the relevant disclosures in subsequent periods.

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

The Board of Directors headed by the Chairman and the Chief Executive Officer are based in the UK. 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 takes seriously its responsibilities under s.172 and the impact of the business on key stakeholder groups is considered on a regular basis. We outline here how we engage with our stakeholders to drive outcomes.

(a) Long-term results

The business review and KPI's section of the Strategic Report, as well as the Results and the Outlook section set out the long-term consequences of decisions made by the Group. When considering acquisitions, the Group has regard for the likely impacts on stakeholders over the long-term and likewise some of our Environmental initiatives (as set out above) have regard to long-term beneficial impacts of behaviour or activity changes.

(b) Statement of engagement with employees

As a 31 December 2022 there were 384 employees consisting of sales, marketing, operations and administration staff, based in the following countries: United Kingdom 244, Germany 33, Spain 22, France 2, Singapore 24, and USA 59.

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.

We work hard to communicate openly and regularly with our employees as we recognise this is a key part of building 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. Examples of transparency in our communications with our employees include weekly reporting on sales numbers, delegate registrations, revenue and cash to our teams.

We regularly engage with our teams through 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, and which are announced at our Christmas parties. We run a graduate scheme in London and globally recruit experienced event professionals wanting to join our winning team.

During the period of remote working, we implemented an employee well-being programme and introduced a global Employee Assistance Programme to provide employees with free confidential access to professional advice, 24 hours a day, 7 days a week, 365 days a year. We have a network of trained Mental Health first aiders amongst the staff.

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. Appropriate training is arranged for disabled persons, including retraining for alternative work of employees who become disabled, to promote their career development within the Group.

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.

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

The Board

The Board is based in the UK and comprises a mix of senior operational staff and representatives of the Group's main shareholder, Providence Equity Partners. There is considered to be an appropriate mix of industry experience and relevant expertise across the different disciplines in the Group, as well as a satisfactory mix of diversity and inclusion. Sub-committees of the Board are formed as necessary – for example for Remuneration and audit.

Suppliers

The Group organises trade shows and conferences in a variety of market sectors. Our major suppliers are the venues where the events are held and the contractors who build exhibition stands, or supply furniture, carpets, logistics and data registration services. The Group enjoys long term partnerships with key suppliers, and we have worked proactively with them to reduce environmental impacts of shows and events. The collaborative approach to working together was clearly evident in the Covid-19 pandemic as venues and suppliers reacted, with us, to the temporary postponement of events. Since the ending of pandemic restrictions and return to 'normal' trading, there is an obvious tightening of labour supply in the exhibitions industry and we have worked hard with key suppliers to manage the impact of this.

Customers

Customers are central to the success of the Group. Our careful engagement with them allows us to understand their evolving requirements and drives initiatives which seek to consistently improve their experience at our events. Our customers comprise exhibitors, visitors, sponsors and delegates. They range from large pharmaceutical manufacturers to suppliers of kit for data centres, to operators of care homes and to vets and dentists. Through the Covid-19 pandemic we focussed on staying close to our customers' needs by evolving to a digital delivery platform and by engaging to ensure that the return to in-person events was delivered safely. We believe that our commitment to our customer base was evidenced through the rolling of events and payments for deferred shows, followed by highly successful returns to in-person events as indicated by strong re-book rates and the successful launch of new formats in response to customer demand.

Debt capital / credit facility providers

The Group Financial Director is 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 including plans to ensure appropriate access to debt capital, monitoring of headroom and planning for the maturity of facilities.

Monthly financial information is shared with the banks on profitability and cashflow following the Board Meetings. Quarterly review meetings also take place to ensure the banks are kept informed of trading and forecast expectations.

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.

(d) The community and environment

See the section titled Environment above.

(e) CloserStill's reputation in the industry

In the last 13 years, CloserStill has been repeatedly recognised as a leading innovator within the Exhibition Industry and has, we believe, won more awards than any other event business in the industry.

We have won over 60 major industry awards, including the coveted 'Best Business Exhibition' seven times, featured in The Sunday Times 100 Best Places to Work three times and have 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 Trade Show (x9), Best Marketing (x8), Best Operations (x4), Best Sales (x5), Best Event Director (x4) and Best Launch or Brand Extension (x6). Adapting to digital, we have also won 7 awards at the new Digital Event Awards. And under the new AEO People's award we won Best Finance Exec /Manager also.

CloserStill looks to run, launch or acquire the number one 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.

(f) Fairness between 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 operations 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 regularly communicates to the employee shareholders, as well as employees, through a cascade of divisional employee meetings. The Group also ensures a cascade of other information where appropriate through various means including a monthly newsletter.

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.

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 31st December 2022.

Risk Assessment and management

The company is not involved in manufacturing and has strict employment 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. We therefore believe there is low risk of non-compliance amongst our direct employees.

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.

Whilst we consider that our customer base is of generally low risk, we periodically undertake a review of our processes to ensure we identify where customers originate from areas of risk and we would consider enhancing our due diligence process to mitigate this risk. Our terms and conditions of business

CloserStill Group Limited
Strategic Report
For the year to 31 December 2022

aim to incorporate the expectation that people we work with should adhere to the same standards we set ourselves.

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 is to encourage management and staff in undertaking relevant risk assessments and recognising situations where modern day slavery may be a concern.

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 2022.

Signed on behalf of the board by

DocuSigned by:

Garth Bowhill

A9A846593297486.

G G T Bowhill

Director

Approved by the board on 25 April 2023

CloserStill Group Limited
Directors' Report
For the year to 31 December 2022

The directors present their report and the audited consolidated financial statements of CloserStill Group Limited for the year ended 31 December 2022.

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 (Resigned 21 March 2023)
A Mishenin
P J Nelson
R Sudo
A A Tisdale
P W Soar

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 year and through to the date of approval of the financial statements. 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.

Future developments

The Group's Strategic Report (which is incorporated into this report by cross reference) sets out the major events for the year to 31 December 2022.

Bookings for 2023 continue to be taken and in February the Group achieved record bookings ahead of the UK Tech event but also supported by Frankfurt and Singapore Tech events, all with high weekly run rates on bookings contracted. Overall the business as at the end of March is tracking ahead of 2022 by 17% on the main exhibition events and also ahead of budget as a percentage of total versus the 2022 cycle by 1.9%

Following on from the recent acquisitions the Group is working to integrate the new businesses. A period of running on seller's systems continues as the processes and Group policies are shared and worked through. Both CommerceNext and OpenRoom are on track to integrate on to Group systems in the first half of 2023.

Going concern

At 31 December 2022, the Group's financing arrangements consist of a fully drawn £110m term loan (2021: £110m), an acquisitions and CAPEX facility of £26.1m (2021: £25.7m), a £3.0m (2021: £4.9m) revolving credit facility balance and £7m (2021: £7m) of management loan notes. As at the end of 2022 £53.0m funds were injected under a Providence fund level facility by Limited Partners. No further shareholder funding was drawn in 2022 and no further funding is expected to be drawn down in 2023.

Going concern *(continued)*

The Group is ordinarily highly cash generative and returned to this pattern during 2022, with cash inflows from operating activities of £20.1m. Despite the strong return to cash generation, 2022 did not represent a normal cycle due to 3 main events having rolled customer receipts from events that were rolled from 2020 through to 2022. Due to Covid-19 related restrictions for part of 2021, generation of cash was significantly reduced in that year. The Group has net current assets of £34.8m and made a loss before tax of £13.9m (2021: £70.7m) due to a significant amortisation charge and interest on external debt, which is normal for PE backed businesses.

2022 closing cash excluding the £53.0m injection was £14.9m available for normal trading activity with the balance not predicted to fall below £11.0m. Q1 has already delivered ahead of budget due to timing of large payments and the quicker collection on receipts for H1 events. Over and above trading cash the remaining balance available for M&A of £20.6m could further support the group should any downside risk be foreseen. Management do not believe that another lock down Covid-19 impact is a likely scenario in the near future, however should a scenario exist that causes revenues to fall materially then management would take action to reduce unnecessary costs and postpone uncommitted investment to protect cash. Under a severe scenario a minimum cash requirement would be c£2.7m per month vs a bank balance of over £30m.

In 2020 through the Covid-19 period a Bridge Liquidity arrangement was executed 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. The Bridge Liquidity arrangement has now been cancelled and is no longer required. As of 31 December 2022, leverage was under 5x and supported by a quarterly covenant certificate, as such all Covid reporting requirements have ceased. The budget forecast covenants also maintain a forecast below 5x.

After making enquiries, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. The Group therefore continues to adopt the going concern basis in preparing its financial statements.

Financial risk management

The Group is exposed to various financial risks from its underlying operations and finance activities.

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 in order to mitigate to acceptable levels 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

The risk that the Group will experience difficulties in meeting 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.

ii. Foreign currency risk

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 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.

iii. Interest rate risk

Movements in interest rates could have an impact on the Group's net income or financial position. The Group's exposure to interest rate risk relates primarily to the Group's bank loans which, at present, attract a floating rate interest charge. Funding in the form of loan notes is at a fixed rate. The Group does not currently use derivative financial instruments to hedge its interest rate risk in respect of loans although the Board monitor changes to interest rates and would propose new strategies accordingly in order to mitigate the impact.

iv. Credit risk

The possibility that the counterparty to a transaction may be unable or unwilling to meet its obligations, causing a financial loss to the Group. This arises mainly from the Group's trade receivables, which are subject to a policy of active risk management focused 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.

Post Covid and since the Ukraine war there has been a wider economic change in terms of inflationary rises which are well documented. CloserStill has a close network of key suppliers and continues to work closely with them to manage cost pressures around the Group. CloserStill structures sales prices in order to encourage advance bookings. This also allows a level of price increases though the year to help protect margins.

With regards to Ukraine and Russia, there is very little direct impact. CloserStill has no events in these geographies and very few customers are Russian.

Events after the balance sheet date

In January 2023, the Group completed two acquisitions, OpenRoom Events Holdings Ltd and CommerceNext LLC.

OpenRoom Events Holdings Ltd is a UK based 1-2-1 hosted buyer business, operating across various global markets, focussed on certain healthcare sectors and the petrol/EV forecourt/convenience store sector. The acquisition was for £10.6m to purchase 70% with an option to acquire the remaining 30% after 2024.

CommerceNext LLC is a US business that runs an annual two-day ecommerce event in New York. In addition to the main event, it runs other smaller format events including dinners and parties as well as virtual products such as webinars, podcasts and virtual lunches. A 51% holding was purchased for £5.8m with further options to acquire the remaining 20% and 29% after 2024 and 2025 respectively.

CloserStill Group Limited
Directors' Report
For the year to 31 December 2022

Events after the balance sheet date *(continued)*

On 26 January 2023 the Group completed a capital reduction by cancelling and extinguishing £0.29 on each of the 10% cumulative redeemable senior preference shares of £1.00 each in the capital of the Company, reducing the nominal value of the shares from £1.00 per share to £0.71per share.

On 30 January 2023 the Group redeemed 14,995,420 of the total 70,317,427 Senior preference shares in CloserStill Group Ltd at a price of £1.344. 146,653 Midco 10% Unsecured Management Shareholder Instruments dated 29 September 2020 and 1,472,279 dated 19 December 2018 were also redeemed.

Dividends

During the year to 31 December 2022, dividends paid were £1,167,000 (2021: £Nil).

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

During the year a competitive audit tender process was run. PricewaterhouseCoopers LLP were replaced by Cooper Parry Group Limited. Cooper Parry Group Limited have indicated their 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

DocuSigned by:
Garth Bowhill
A9A846593297486

G G T Bowhill
Director

Approved by the board on 25 April 2023

CloserStill Group Limited
Statement of directors' responsibilities in respect of the financial statements
For the year to 31 December 2022

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 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.

They 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CLOSERSTILL GROUP LIMITED

Opinion

We have audited the financial statements of CloserStill Group Limited (the 'parent Company') and its subsidiaries (the 'group') for the year ended 31 December 2022, which comprise the Consolidated Income Statement, the Consolidated Statement of Other Comprehensive Income, the Consolidated and Company Balance Sheet, the Consolidated and Company Statement of Changes in Equity, the Consolidated Statement of Cash Flows and the related notes, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the Group and Company financial statements:

- give a true and fair view of the state of the Group's and parent Company's affairs as at 31 December 2022 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.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the group strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the group strategic report and the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the group strategic report or directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 20, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's 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 auditor's 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 Group 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CLOSERSTILL GROUP LIMITED *(continued)*

Our assessment focused on key laws and regulations the company has to comply with and areas of the financial statements we assessed as being more susceptible to misstatement. These key laws and regulations included but were not limited to compliance with the Companies Act 2006, United Kingdom Generally Accepted Accounting Practice and relevant tax legislation.
We are not responsible for preventing irregularities. Our approach to identifying and assessing the risks of material misstatement, including fraud and non-compliance with laws and regulations included, but was not limited to, the following:

- we obtained an understanding of the legal and regulatory framework applicable to the entity and how the entity complied with that framework, including a review of legal and professional nominal codes and board minutes in the year and post year end;
- we made enquiries of management as to where they considered there was susceptibility to fraud and their knowledge of actual, suspected and alleged fraud;
- we obtained an understanding of the entity's policies and procedures and how the entity has complied with these, through discussions and by performing walkthroughs;
- we obtained an understanding of the entity's risk assessment process, including the risk of fraud;
- we designed out audit procedures to respond to our risk assessment; and
- we performed audit testing over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

To address the risk of fraud through management bias and override of controls, we:
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were
- indicative of potential bias, in particular those highlighted in note 2.
- investigated the rationale behind significant or unusual transactions, and
- reviewed nominals of certain nominal codes for indication of any management override.

In response to the risk of irregularities in relation to non-compliance with laws and regulations, we designed procedures which included but were not limited to:
- we agreed Financial Statement disclosures to underlying supporting documentation;
- we read the minutes of meetings of those charged with governance;
- we enquired of management as to actual and potential litigation and claims; and
- we reviewed correspondence with relevant and associated parties.

Whilst considering how our audit work addressed the detection of irregularities, we also consider the likelihood of detection based on our approach. Irregularities arising from fraud are inherently more difficult to detect than those arising from error.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CLOSERSTILL GROUP LIMITED
(continued)

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Emre Saka (Senior Statutory Auditor)

for and on behalf of
Cooper Parry Group Limited

Statutory Auditor

Sky View
Argosy Road
Derby
United Kingdom
DE74 2SA

Date: 26 April 2023

CloserStill Group Limited
Consolidated Income Statement
For the year to 31 December 2022

	Note	For the year to 31 December 2022 £'000	For the year to 31 December 2021 £'000
Revenue	3	104,281	31,352
Cost of sales		(39,884)	(13,509)
Gross profit		**64,397**	**17,843**
Administrative expenses		(66,541)	(79,298)
Operating loss	4	**(2,144)**	**(61,455)**
Management EBITDA	27	**27,096**	**(2,532)**
Amortisation	10	(30,826)	(33,323)
Depreciation	11	(456)	(679)
Exceptional items	5	(350)	(23,137)
Management exceptional items		(1,089)	(780)
Foreign exchange		4,449	(16)
Share based payments	6	(968)	(988)
Interest payable and similar expenses	8	(11,777)	(9,279)
Loss before taxation		**(13,921)**	**(70,734)**
Tax on loss	9	2,472	(1,430)
Loss for the financial year		**(11,449)**	**(72,164)**
Loss for the financial year attributable to:			
Owners of Parent		(11,866)	(71,711)
Non-controlling interest		417	(453)
Loss for the financial year		**(11,449)**	**(72,164)**

There are no material discontinued operations during the year.

The notes on pages 31 to 60 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.

CloserStill Group Limited

Consolidated Statement of Other Comprehensive Income
As at 31 December 2022

	For the year to 31 December 2022	For the year to 31 December 2021
	£'000	**£'000**
Loss for the financial year	(11,449)	(72,164)
Other comprehensive income/ (expense) for the year		
Currency translation gains/(losses) in foreign operations	(4,645)	1,316
Total comprehensive expense for the year	**(16,094)**	**(70,848)**
Total comprehensive income/ (expense) or the financial year attributable to:		
Owners of the Parent	(16,511)	(70,395)
Non-controlling interests	417	(453)
	(16,094)	**(70,848)**

The notes on pages 31 to 60 form part of these financial statements.

CloserStill Group Limited

Consolidated and Company Balance Sheets
As at 31 December 2022

	Note	2022 Group £'000	2022 Company £'000	2021 Group £'000	2021 Company £'000
Fixed assets					
Intangible assets	10	168,532	-	182,824	-
Goodwill	10	86,832	-	100,201	-
Negative goodwill	10	(1,358)	-	(1,537)	-
Tangible assets	11	1,012	-	895	-
Investments	12	-	189,453	-	188,485
		255,018	**189,453**	**282,383**	**188,485**
Current assets					
Debtors	13	46,591	82,949	31,418	29,973
Cash at bank and in hand	14	67,911	-	12,214	-
		114,502	**82,949**	**43,632**	**29,973**
Creditors: amounts falling due within one year	15	**(79,683)**	**(29)**	**(70,591)**	**(23)**
Net current assets/(liabilities)		**34,819**	**82,920**	**(26,959)**	**29,950**
Total assets less current liabilities		**289,837**	**272,373**	**255,424**	**218,435**
Creditors: amounts falling due after more than one year	16	**(207,140)**	**(53,000)**	**(149,452)**	**(22)**
Provisions for liabilities	18	**(40,857)**	-	**(44,089)**	-
Net assets		**41,840**	**219,373**	**61,883**	**218,413**
Capital and reserves					
Called up share capital	19	214,697	214,697	214,697	214,697
Share premium account	19	993	993	993	993
Translation reserve		(3,664)	-	981	-
Accumulated losses		(174,494)	3,683	(160,828)	2,723
Equity attributable to owners of the parent		**37,532**	**219,373**	**55,843**	**218,413**
Non-controlling interests		4,308	-	6,040	-
Total Equity		**41,840**	**219,373**	**61,883**	**218,413**

The company made a loss of £8,000 (2021: £2,000) for the year to 31 December 2022.

The financial statements on pages 25 to 30 were approved by the board of directors and authorised for issue on 25 April 2023, and are signed on behalf of the board by:

G G T Bowhill, Director
Registration no: 11703504

DocuSigned by:
Garth Bowhill
A9A848593297486

The notes on pages 31 to 60 form part of these financial statements.

CloserStill Group Limited
Consolidated Statement of Changes in Equity
For the year to 31 December 2022

	Called up Share capital £'000	Share Premium Account £'000	Translation reserve £'000	Accumulated losses £'000	Total attributable to owners of the parent £'000	Non-controlling Interests £'000	Total Equity £'000
As at 1 January 2021	**191,851**	**993**	**(335)**	**(82,369)**	**110,140**	**3,225**	**113,365**
Loss for the year	-	-	-	(71,711)	**(71,711)**	(453)	**(72,164)**
Other comprehensive income	-	-	1,316	-	**1,316**	-	**1,316**
Total comprehensive income/ (expense)	**-**	**-**	**1,316**	**(71,711)**	**(70,395)**	**(453)**	**(70,848)**
Credit related to Share based payments	-	-	-	988	**988**	-	**988**
Issue of share capital	22,846	-	-	-	**22,846**	-	**22,846**
Buyout of Non-controlling interest	-	-	-	(881)	**(881)**	(530)	**(1,411)**
Non-controlling interest arising on business combination	-	-	-	-	-	3,798	**3,798**
Revaluation of put/call option redemption liabilities	-	-	-	(6,855)	**(6,855)**	-	**(6,855)**
Total for transactions with owners	**22,846**	**-**	**-**	**(6,748)**	**16,098**	**3,268**	**19,366**
As at 31 December 2021 and 1 January 2022	**214,697**	**993**	**981**	**(160,828)**	**55,843**	**6,040**	**61,883**
(Loss)/Profit for the year	-	-	-	(11,866)	(11,866)	417	(11,449)
Other comprehensive income	-	-	(4,645)	-	(4,645)	-	(4,645)
Total comprehensive income/ (expense)	**-**	**-**	**(4,645)**	**(11,866)**	**(16,511)**	**417**	**(16,094)**
Credit related to Share based payments	-	-	-	**968**	**968**	-	**968**
Buyout of Non-controlling interest	-	-	-	**(1,675)**	**(1,675)**	**(982)**	**(2,657)**
Revaluation of put/call option redemption liabilities	-	-	-	**(1,093)**	**(1,093)**	-	**(1,093)**
Dividends paid	-	-	-	-	-	**(1,167)**	**(1,167)**
Total for transactions with owners	**-**	**-**	**-**	**(1,800)**	**(1,800)**	**(2,149)**	**(3,949)**
As at 31 December 2022	**214,697**	**993**	**(3,664)**	**(174,494)**	**37,532**	**4,308**	**41,840**

The notes on pages 31 to 60 form part of these financial statements.

CloserStill Group Limited

Company Statement of Changes in Equity
For the year to 31 December 2022

	Called up Share capital £'000	Share Premium Account £'000	Accumulated losses £'000	Total £'000
As at 1 January 2021	**191,851**	**993**	**(5)**	**192,839**
Issue of share capital	22,846	-	-	**22,846**
Credit related to Share based Payments	-	-	2,730	**2,730**
Total for transactions with Owners	**22,846**	-	**2,730**	**25,576**
Comprehensive expense:				
Loss for the year	-	-	(2)	**(2)**
Other comprehensive income	-	-	-	-
Total comprehensive expense	-	-	**(2)**	**(2)**
As at 31 December 2021 and 1 January 2022	**214,697**	**993**	**2,723**	**218,413**
Issue of share capital	-	-	-	-
Credit related to Share based Payments	-	-	**968**	**968**
Total for transactions with Owners	-	-	**968**	**968**
Comprehensive expense:				
Loss for the year	-	-	**(8)**	**(8)**
Other comprehensive income	-	-	-	-
Total comprehensive expense	-	-	**(8)**	**(8)**
As at 31 December 2022	**214,697**	**993**	**3,683**	**219,373**

The notes on pages 31 to 60 form part of these financial statements.

CloserStill Group Limited

Consolidated Statement of Cash Flows
For the year to 31 December 2022

	Note	For the year to 31 December 2022 £'000	For the year to 31 December 2021 £'000
Cash flows from operating activities			
Loss for the financial year		(11,449)	(72,164)
Adjustment for:			
Depreciation of tangible fixed assets	11	457	679
Amortisation of intangible fixed assets	10	30,826	33,323
Impairment of intangible fixed assets	10	-	21,846
Foreign exchange		(4,449)	16
Equity share based payment expense	6	968	988
Interest and similar charges payable	8	11,777	9,279
Taxation	9	(2,472)	1,430
Adjusted operating profit/(loss) before changes in working capital		**25,658**	**(4,603)**
(Increase)/decrease in trade and other receivables		(13,329)	234
Increase in trade and other payables		7,802	2,120
Cash generated/(used) from operations		**20,131**	**(2,249)**
Tax paid		(14)	(435)
Net cash generated/(used) from operating activities		**20,117**	**(2,684)**
Cash flows from investing activities			
Acquisition of subsidiaries	22	-	(6,728)
Deferred consideration paid		(2,088)	-
Purchase of tangible fixed assets	12	(605)	(394)
Purchase of intangible fixed assets	11	(396)	(1,919)
Net cash used in investing activities		**(3,089)**	**(9,041)**
Cash flows from financing activities			
Proceeds from new borrowing	16,17	53,000	4,077
Repayment of borrowings		-	-
Interest and similar expenses paid		(11,101)	(8,850)
Buyout of non-controlling interests	24	(880)	(705)
Dividends paid to non-controlling interests		(1,167)	-
Issue of share capital	20	-	22,846
Net cash generated from financing activities		**39,852**	**17,368**
Net increase in cash and cash equivalents		**56,880**	**5,643**
Cash and cash equivalents at the beginning of the year		7,331	1,960
Exchange gains/ (losses) on cash and cash equivalents		668	(272)
Cash and cash equivalents at the end of the year		**64,879**	**7,331**
Cash and cash equivalents consist of:			
Cash at bank and in hand		67,911	12,214
Bank overdrafts		(3,032)	(4,883)
Cash and cash equivalents		**64,879**	**7,331**

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 31 to 60 form part of these financial statements.

CloserStill Group Limited

1. GENERAL INFORMATION

The Company was incorporated on 29 November 2018. CloserStill Group Limited is a private limited company, limited by shares, domiciled and incorporated in England, United Kingdom.

The registered address and principal place of business is Exhibition House, Addison Bridge Place, London, England, W14 8XP.

The Group consists of CloserStill Group Limited and all its subsidiaries (note 12). The principal activity of the Company during the year was to act as the ultimate holding company for the CloserStill Group of companies which operate content-led exhibitions throughout the UK, Europe, USA and Asia.

2. SIGNIFICANT 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 as modified by the recognition of certain financial liabilities measured at fair value.

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 for the year to 31 December 2022 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 below.

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 CloserStill Group Limited and all of its subsidiary undertakings for the year ended 31 December 2022. 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.

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.

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Going Concern

At 31 December 2022, the Group's financing arrangements consist of a fully drawn £110m term loan (2021: £110m), an acquisitions and CAPEX facility of £26.1m (2021: £25.7m), a £3.0m (2021: £4.9m) revolving credit facility balance and £7m (2021: £7m) of management loan notes. As at the end of 2022 £53.0m funds were injected under a Providence fund level facility by Limited Partners. No further shareholder funding was drawn in 2022 and no further funding is expected to be drawn down in 2023.

The Group is ordinarily highly cash generative and returned to this pattern during 2022, with cash inflows from operating activities of £20.1m. Despite the strong return to cash generation, 2022 did not represent a normal cycle due to 3 main events having rolled customer receipts from events that were rolled from 2020 through to 2022. Due to Covid-19 related restrictions for part of 2021, generation of cash was significantly reduced in that year. The Group has net current assets of £34.8m and made a loss before tax of £13.9m (2021: £70.7m) due to a significant amortisation charge and interest on external debt, which is normal for PE backed businesses.

2022 closing cash excluding the £53.0m injection was £14.9m available for normal trading activity with the balance not predicted to fall below £11.0m. Q1 has already delivered ahead of budget due to timing of large payments and the quicker collection on receipts for H1 events. Over and above trading cash the remaining balance available for M&A of £20.6m could further support the group should any downside risk be foreseen. Management do not believe that another lock down Covid-19 impact is a likely scenario in the near future, however should a scenario exist that causes revenues to fall materially then management would take action to reduce unnecessary costs and postpone uncommitted investment to protect cash. Under a severe scenario a minimum cash requirement would be c£2.7m per month vs a bank balance of over £30m.

In 2020 through the Covid-19 period a Bridge Liquidity arrangement was executed 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. The Bridge Liquidity arrangement has now been cancelled and is no longer required. As of 31 December 2022, leverage was under 5x and supported by a quarterly covenant certificate, as such all Covid reporting requirements have ceased. The budget forecast covenants also maintain a forecast below 5x.

After making enquiries, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. The Group therefore continues to adopt the going concern basis in preparing its financial statements.

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 until subsidiaries are disposed of.

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

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.

Revenue is measured at fair value of consideration received or receivable and represents amounts receivable for services provided in the normal course of business net of value added tax, duties and other sales tax.

Revenue from exhibitions, trade shows, conferences and other live events, together with event sponsorship, delegate fees and ticket sales, is recognised when the event is held, with advance receipts recognised as deferred income in the balance sheet until such date.

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. 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.

Business combinations and goodwill

Business combinations are accounted for by applying the purchase method.

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. Where control is achieved in stages the cost is the consideration at the date of each transaction.

Contingent consideration is initially recognised at the estimated amount where the consideration is probable and can be measured reliably. Where (i) the contingent consideration is not considered probable or cannot be reliably measured but subsequently becomes probable and measurable or (ii) contingent consideration previously measured is adjusted, the amounts are recognised as an adjustment to the cost of the business combination. Written instruments entered into at the same time as the business combination to acquire further equity interests are classified as a puttable instrument, with the establishment of a financial liability, in accordance with the substance of the transaction.

On acquisition of a business, fair values are attributed to the identifiable assets, liabilities and contingent liabilities unless the fair value cannot be measured reliably, in which case the value is incorporated in goodwill. Intangible assets are only recognised separately from goodwill where they are separable and arise from contractual or other legal rights. Where the fair value of contingent liabilities cannot be reliably measured they are disclosed on the same basis as other contingent liabilities.

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. To the extent that the fair value of the identifiable assets, liabilities and contingent liabilities exceeds the cost, and the Directors are satisfied this represents the substance of the transaction, then negative goodwill is recognised.

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Intangible Assets

Goodwill recognised represents the excess of the fair value and directly attributable costs of the purchase consideration for an acquired undertaking or acquired trade and assets, compared with the fair value of the Group's interest in the identifiable net assets, liabilities and contingent liabilities 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. Negative goodwill is likewise assigned a maximum life of 10 years. Goodwill is reviewed for impairment at the end of the first full financial year following the acquisitions and thereafter at least annually or more frequently if events or changes in circumstances indicate that the carrying value may not be recoverable. No reversals of impairment are recognised. On acquisition, goodwill is allocated to cash-generating units ('CGUs') that are expected to benefit from the combination.

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 (charged to administrative expenses) is provided on intangible fixed assets so 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, if shorter, the term of the licence, 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 (charged to administrative expenses) 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:

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

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

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.

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.

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.

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 year. 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 year end and that are expected to apply to the reversal of the timing difference.

Deferred tax is also recognised on differences between the value of assets recognised in a business combination and the amounts that can be deducted or assessed for tax. The deferred tax recognised is adjusted against Goodwill.

2. SIGNIFICANT 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. Amounts receivable under various government Covid-19 related job support schemes across jurisdictions are recognised in other income in the statement of comprehensive income.

Leases

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

Leases of assets that transfer substantially all the risks and rewards incidental to ownership are classified as finance leases. The Group and Company does not currently have such 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.

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.

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Employee share ownership plans *(continued)*

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.

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

The Group has chosen to adopt Sections 11 and 12 of FRS 102 in respect of 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

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

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Financial Instruments *(continued)*

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.

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

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 and bank loans are recorded at amortised cost. Transaction costs incurred in securing loan notes are measured at amortised cost, and deducted from the value of the loans and 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.

CloserStill Group Limited
Notes to the Financial Statements
For the year to 31 December 2022

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Share capital

Ordinary and preference shares are classified as equity.

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:

Estimates

a) Fair value of acquisitions (note 21, note 17)
The fair value of 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. The estimation of the value of the put/call options entered into as part of acquisitions £13,189,000 (2021: £11,131,00)) likewise requires estimation as to the level of future profitability and could be subject to material change, depending on performance, in future years.

b) Impairment assessment of intangible assets and goodwill (note 10) (2021: £281,488,000 at 31 December 2021). Year ended 31 December 2021: Impairment charge of £21,846,000 (note 5)
Goodwill and intangible assets are tested for impairment annually, or whenever there is an impairment indication. The calculation of the recoverable amount typically requires estimation of the relevant cash flows in each of the Cash Generating Units (CGUs) based on their value in use. This requires estimation of the future cash flows and also the determination of an appropriate discount rate in order to calculate the net present value of those cash flows.

c) 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. Further detail is provided above in this note.

d) Provision for deferred tax (note 18) (Total asset of £6,062,000 (2021:4,642,000) and liability of £41,321,000 (2021: 45,417,000) at 31 December 2022)

Provision is made for deferred taxation based on the estimated fair value of intangible assets on acquisitions (see a) above). 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. The recognition of a deferred tax asset is subject to estimates as to the likely timing, quantum and geographic location of future taxable profits, together with an assessment of the tax rates that will be applicable as they arise.

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.

CloserStill Group Limited
Notes to the Financial Statements
For the year to 31 December 2022

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Critical accounting judgements and estimation uncertainty (continued)

Judgements

e) 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.

f) Non-controlling interests in subsidiaries
In view of the written put/call options to purchase the remaining shares not already owned by the Group a judgement is required to be made as to whether it is appropriate to recognise a non-controlling interest at the balance sheet date. Having considered the terms of the entities' articles of association, a judgement was reached that the minority holders continue to have access to the risks and rewards of ownership in proportion to their ownership stake and thus a non-controlling interest is recognised and allocated its share of profits and losses in the normal way. The key considerations in arriving at this judgement were: rights to dividends, voting and decision-making rights and rights on a winding up.

g) Put/ Call option liability
Estimating the fair value of the put/call option liability requires determination of certain factors relating to the inputs, including those used to derive the expected future cashflows, such as discount rates. Changes to management's judgement of these factors could result in a materially different liability recognised.

h) Classification of preference shares
Preference shares are classified as equity instruments since they are not considered to comprise a contractual obligation to deliver cash (or other financial assets) or to exchange financial assets or liabilities under conditions which are potentially unfavourable. As the issuer of the instruments it is considered that the Company, under the terms of its Articles of association and the Board's decision making process, has the unconditional right to avoid delivering cash or another financial asset to settle the contractual obligations within the terms of the preference shares.

CloserStill Group Limited
Notes to the Financial Statements
For the year to 31 December 2022

3. REVENUE

The Group's turnover and loss before taxation for the year to 31 December 2022 were all derived from its principal activity. Sales were derived from events held in geographical locations, as follows:

	2022 £'000	2021 £'000
United Kingdom	56,017	22,178
USA	21,599	4,697
France	1,907	78
Germany	7,403	1,899
Singapore	9,168	415
Hong Kong	-	3
Spain	8,187	2,082
Total	**104,281**	**31,352**

Analysis of turnover by category was as follows:

	2022 £'000	2021 £'000
Space and shell revenue	59,600	14,148
Sponsors revenue	29,452	11,275
Other revenue	1,177	1030
Conference fees	9,719	3,580
Contra revenue	3,265	748
Insurance and inspection	1,068	571
Total	**104,281**	**31,352**

4. CONTINUING OPERATING LOSSES

The operating loss from continuing operations is stated after charging:

	2022 £'000	2021 £'000
Amortisation of Goodwill and negative goodwill (note 10)	13,895	16,885
Amortisation of intangible assets (note 10)	16,931	16,438
Impairment of goodwill (note 10)	-	21,846
Depreciation of tangible fixed assets (note 11)	456	679
Auditors' remuneration - statutory audit	240	281
Operating lease expense	1,277	1,393
Impairment of trade receivables	(701)	(575)
Share based payments	968	988
Foreign exchange (gains)/losses on bank loans	33	(1,368)
Other net foreign exchange losses/(gains)	(4,482)	1,384

CloserStill Group Limited

Notes to the Financial Statements
For the year to 31 December 2022

5. EXCEPTIONAL ITEMS

	2022 £'000	2021 £'000
COVID 19 related costs	-	1,493
Hong Kong closure (credit)/ cost	-	(7)
Messe restructure (credit)/ cost	-	(195)
Impairment of goodwill (note 10)	-	21,846
Project Kit costs	92	-
Employment provision	110	-
Lease provision release	258	-
TCPA provision release	(110)	-
Total	**350**	**23,137**

The Group exercises judgement in assessing whether items should be classified as exceptional. This assessment covers the nature of the item, cause of occurrence and scale of impact of that item on the reported performance. During the year items identified related mainly to one of provisions.

During 2021, mainly due to Covid-19, several exceptional expenses were incurred. These were sunk costs and expenses on restructuring or closure of operations during the year.

Impairment of goodwill in 2021 was a result of the annual assessment performed, based on an assessed value in use (recoverable amount) relative to carrying value. Further information is given in note 10. The charge was recognised within administrative expenses.

6. STAFF COSTS

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

	2022 No.	2021 No.
Administration	376	269
Management	8	8
	384	277

	2022 £'000	2021 £'000
Employee costs during the year:		
Wages and salaries	25,192	14,843
Social security costs	3,512	1,890
Other pension costs	733	461
Share based payment	968	988
	30,405	18,182

Directors' remuneration:	2022 £'000	2021 £'000
The Directors' remuneration for the year was as follows:		
Aggregate remuneration	1,090	1,098
Highest paid director:		
Aggregate remuneration	527	547

6. STAFF COSTS (continued)

On 4 February 2021 a loan of £25,000 was made to a Director of the Company to facilitate a share purchase. The loan is repayable on the earlier of an exit event or certain earlier events such as transfer of shares in accordance with the Company's Articles of Association. The loan is non-interest bearing. No amounts were repaid, written off or waived in the year. The amount outstanding at 31 December 2022 was £25,000 (2021: £25,000).

Post-employment benefits are accruing for one (2021: one) director under a defined contribution scheme. One (2021: two) director received shares under share purchase schemes.

Defined contribution pension plans

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

The total pension contributions during the year amounted to £733,000 (2021: £461,000). The amount of pension contributions due but not paid over to the pension scheme at the year end was £58,298 (2021: £41,275). Contributions made in respect of the highest paid director to money purchase schemes were £8,952 (2021: £2,198).

Share Purchase Scheme

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

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. The vesting requirements of the scheme involve the achievement of certain threshold values on an exit event. The charge recognised during the year was £968,000 (2021: £988,000).

	2022 **No. of shares**	**2021** **No. of shares**
Outstanding as at 1 January	243,374	227,656
Granted	5,000	25,000
Forfeited	(2,025)	(9,282)
Outstanding at 31 December	**246,349**	**243,374**

Measurement of fair value

The estimated fair value of shares granted to employees involves the use of valuation techniques and is determined by third party experts using a Black Scholes model at the date of grant as this is considered the most representative method of estimating the valuation of the equity instruments granted. 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.

6. STAFF COSTS *(continued)*

Company
The company had no employees during 2022 or 2021. Thus, there is no charge in the income statement for employee costs or share-based payments. The charge for share-based payments has been recognised as an increase in investment in subsidiaries.

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 PAYABLE AND SIMILAR EXPENSES

	2022 £'000	2021 £'000
Interest on bank loan and similar expenses	10,353	7,694
Interest on loan notes	558	594
Monitoring fees	25	-
Commitment fees	190	340
Amortisation of borrowing arrangement fees	651	651
	11,777	**9,279**

9. TAX ON LOSS

	2022 £'000	2021 £'000
a) Tax in the year		
Current income tax		
Current tax on losses for the year	3,885	587
Adjustment in respect of prior years	(841)	24
Total current income tax charge/(credit)	**3,044**	**611**
Deferred tax		
Reversal of timing differences *(see note 19)*	(3,657)	(2,561)
Impact of change in tax rate	-	8,052
Recognition of tax losses	(1,420)	(4,642)
Adjustment in respect of prior years	(439)	(30)
Total deferred tax (credit)/charge	**(5,516)**	**819**
Tax charge in the Consolidated Income Statement	**(2,472)**	**1,430**

CloserStill Group Limited

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b) Reconciliation of income tax charge

	2022 £'000	2021 £'000
Loss before tax	(13,921)	(70,734)
Standard tax rate	19.00%	19.00%
Loss before tax multiplied by standard tax rate	(2,645)	(13,439)
Effects of:		
Expenses not deductible for tax purposes	3,385	10,356
Capital allowances in excess of depreciation	(44)	(98)
Utilisation of losses	(799)	(628)
Group relief	(2,646)	-
Adjustment in respect of prior years	(1,280)	(6)
Unrecognised losses	3,284	2,490
Recognised losses	(1,420)	(4,642)
Overseas tax rate differences	(307)	(655)
Tax rate adjustment	-	8,052
Total tax charge	**(2,472)**	**1,430**

c) Factors affecting future tax charge

On 3 March 2021, the Chancellor of the Exchequer announced that the corporation tax rate would increase to a maximum of 25% from 1 April 2023. This was substantively enacted on 24 May 2021. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled, or the asset is realised, based on tax law and the corporation tax rates that have been enacted, or substantively enacted, at the balance sheet date. As such, the deferred tax rate applicable at 31 May 2022 is 25% and deferred tax has been re- measured at this rate.

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10. 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 2022	**170,944**	**199,652**	**24,186**	**1,590**
On acquisition (note 22)			-	-
Consideration adjustments		-	-	-
Additions	-	-	-	-
Transfers	-	-	-	-
Foreign exchange	892	2,369	-	-
31 December 2022	**171,836**	**202,021**	**24,186**	**1,590**
Accumulated Amortisation and Impairment:				
1 January 2022	**72,280**	**36,434**	**7,343**	**1,590**
Charge for the year	13,895	13,345	2,419	-
Transfers	-	-	-	-
Foreign exchange	188	246	-	-
31 December 2022	**86,362**	**50,026**	**9,762**	**1,590**
Net book value 31 December 2022	**85,474**	**151,996**	**14,424**	**-**

Group	Website £'000	Licences and other intangibles £'000	Assets under construction £'000	Total £'000
Cost:				
1 January 2022	**574**	**5,042**	**21**	**402,009**
Additions	47	347	3	**397**
Transfers	-	21	(21)	**-**
Disposals	(158)	(429)	-	**(587)**
Foreign exchange	29	106	-	**3,396**
31 December 2022	**492**	**5,086**	**3**	**405,214**
Accumulated Amortisation and Impairment:				
1 January 2022	**507**	**2,367**	**-**	**120,521**
Charge for the year	30	1,137	-	**30,826**
Disposals	(150)	(429)		**(682)**
Foreign exchange	25	19	-	**440**
31 December 2022	**413**	**3,056**	**-**	**151,208**
Net book value 31 December 2022	**79**	**2,030**	**3**	**254,006**

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10. 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:				
1 January 2021	**168,240**	**187,735**	**24,186**	**1,590**
On acquisition (note 22)	2,274	12,460	-	-
Consideration adjustments	80	-	-	-
Additions	-	-	-	-
Transfers	-	-	-	-
Foreign exchange	350	(543)	-	-
31 December 2021	**170,944**	**199,652**	**24,186**	**1,590**
Accumulated Amortisation and Impairment:				
1 January 2021	**33,600**	**23,998**	**4,924**	**1,590**
Charge for the year	16,885	12,514	2,419	-
Transfers	-	-	-	-
Impairment (note 5)	21,846	-	-	-
Foreign exchange	(51)	(78)	-	-
31 December 2021	**72,280**	**36,434**	**7,343**	**1,590**
Net book value 31 December 2021	**98,664**	**163,218**	**16,843**	**-**

Group	Website £'000	Licences and other intangibles £'000	Assets under construction £'000	Total £'000
Cost:				
1 January 2021	**982**	**2,529**	**126**	**385,388**
On acquisition (note 22)	-	-	-	**14,734**
Consideration adjustments	-	-	-	**80**
Additions	49	1,850	21	**1,920**
Transfers	(451)	577	(126)	**-**
Foreign exchange	(6)	86	-	**(113)**
31 December 2021	**574**	**5,042**	**21**	**402,009**
Accumulated Amortisation and Impairment:				
1 January 2021	**542**	**602**	-	**65,256**
Charge for the year	87	1,418	-	**33,323**
Transfers	(111)	111	-	**-**
Impairment (note 5)	-	-	-	**21,846**
Foreign exchange	(11)	236	-	**96**
31 December 2021	**507**	**2,367**	**-**	**120,521**
Net book value 31 December 2021	**67**	**2,675**	**21**	**281,488**

10. INTANGIBLE ASSETS *(continued)*

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

The Group consists of six separate CGUs, which are as follows:
i) Healthcare & Medical
ii) Vet
iii) Technology
iv) Learning Technology
v) Ecommerce
vi) Alternative Formats

Goodwill is tested for impairment annually, or whenever there is an impairment indication, at the CGU level on the basis of value in use. The key assumptions in the value in use calculation are shown below:

	2022	2021
Expected revenue growth over forecast period (CAGR)	11.5%	9.5%
Period of board approved forecasts	5 years	5 years
Growth rate beyond approved forecast period	2%	2%
Discount rate (pre-tax)	14.7%	14.7%

The key assumptions in the value in use calculation are the forecast cashflows, long term growth rate and the discount rate.

Forecast cashflows are based on the Board approved budget for 2023 and extrapolated based on growth projections for later years. If actual cash flows are not in line with forecasts, the extent of headroom may be reduced.

Long term growth rates are considered to match those likely to be achieved, over the long term, in the markets served by the Group. A reduction to 1% would result in a reduction of headroom of £894,000 against goodwill balances in the CGUs.

Discount rates are determined by reference to calculations of the Group's weighted average cost of capital, adjusted to a pre-tax rate to be applied to pre-tax cashflows and to reflect risks not already reflected in the cashflow forecast calculations. An increase in the pre-tax discount rate to 15.5% would result in a reduction of headroom of £1,428,000 against goodwill balances in the CGUs.

The Group has applied sensitivities to assess whether any reasonably possible changes in assumptions could cause an impairment that would be material for to these consolidated financial statements. A discount rate in excess of 15.04% would need to be applied in order for there to be any indication of an impairment. The directors have given consideration to sensitivities and latest booking schedules to gain comfort over forecasts in the lowest GCU levels and concluded there is no impairment.

Year ended 31 December 2021

During the year ended 31 December 2021 an impairment charge of £21,846,000 was recognised against the Healthcare & Medical, Vet and Technology CGUs, reflecting revised growth forecasts post-Covid.

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11. TANGIBLE ASSETS

Group	Leasehold improvements £'000	Office equipment £'000	Fixtures and fittings £'000	Total £'000
Cost:				
1 January 2022	**327**	**1,268**	**1,160**	**2,755**
Additions	291	285	29	**605**
Disposals	-	(182)	(281)	**(463)**
Transfers	(46)	(115)	161	-
Foreign exchange	5	20	61	**86**
31 December 2021	**577**	**1,276**	**1,130**	**2,983**
Accumulated Depreciation:				
1 January 2022	**219**	**959**	**682**	**1,860**
Charge for the year	78	186	191	**456**
Disposals	-	(202)	(206)	**(408)**
Transfers	(57)	(118)	175	-
Foreign exchange	3	15	46	**63**
31 December 2022	**243**	**841**	**888**	**1,971**
Net book value 31 December 2022	**334**	**435**	**242**	**1,012**

Group	Leasehold improvements £'000	Office equipment £'000	Fixtures and fittings £'000	Total £'000
Cost:				
1 January 2021	**338**	**931**	**1,060**	**2,329**
On acquisition (note 22)	-	-	-	-
Additions	-	360	173	**533**
Disposals	-	(3)	(46)	**(49)**
Foreign exchange	(11)	(20)	(27)	**(58)**
31 December 2021	**327**	**1,268**	**1,160**	**2,755**
Accumulated Depreciation:				
1 January 2021	**166**	**594**	**498**	**1,258**
Charge for the year	53	379	247	**679**
Disposals	-	-	(46)	**(46)**
Foreign exchange	-	(14)	(17)	**(31)**
31 December 2021	**219**	**959**	**682**	**1,860**
Net book value 31 December 2021	**108**	**309**	**478**	**895**

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12. INVESTMENTS IN SUBSIDIARIES

Company

Cost and Net Book Value	Shares in Group undertakings 2022 £'000	2021 £'000
At 1 January	188,485	185,755
Additions – share based payment charges	968	2,730
At 31 December	**189,453**	**188,485**

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 2022 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. CloserStill Group Limited are committed to supporting the guarantee as required, in accordance with s479C. The subsidiaries which have taken an exemption from an audit for the year ended 31 December 2022 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]	Non-trading
*^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
*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]	Non-trading
*CloserStill Vet US LLC	100%	USA[5]	Organisation of exhibitions
*CloserStill France SARL	100%	France[6]	Organisation of exhibitions
*^DE France Limited	100%	England[1]	Non-trading
*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

CloserStill Group Limited
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12. INVESTMENTS IN SUBSIDIARIES *(continued)*

*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.	100%	USA[9]	Organisation of exhibitions
*^CloserStill Limited	100%	England[1]	Intermediary holding company
*CSM Finance Limited	100%	England[1]	Intermediary holding company
*^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]	Non-trading
*Interalia, Ferias Profesionales y Congresos, S.A.	100%	Spain[11]	Organisation of exhibitions
*CloserStill Technologia SL	100%	Spain[11]	Organisation of exhibitions
*Spring Messe Management GmbH	100%	Germany[12]	Organisation of exhibitions
*CloserStill US Holding Company Inc	100%	USA[13]	Intermediary holding company
*Influence Group, LLC	60%	USA[14]	Hosted buyer events

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 taking an audit exemption under s479A-C of the Companies Act
[1] Registered Address: Exhibition House, Addison Bridge Place, London, W14 8XP
[2] Registered Address: Leibnizstrasse 32, 10625 Berlin, Germany
[3] Registered Address: 10-05 Anson House, 72 Anson Road, Singapore 079911
[4] Registered Address: 6th Floor, Wyndham Place, 40-44 Wyndham Street, Central, Hong Kong
[5] Registered Address: 33 Irving Place, New York, NY, 10003, USA
[6] Registered Address: 115 Rue de Cardinet, Paris, 75017 France
[7] Registered Address: 1675 S State St Ste B, Dover, Kent, DE, 19901 USA
[8] Registered Address: 3500 S Dupont Hwy, Dover, Kent, DE, 19901 USA
[9] Registered Address: 120 Stony Point Road, Santa Rosa, CA, USA, 95401
[10] Registered Address: 10 S Jefferson St, Ste 1400, Roanoke, VA, 24011 USA
[11] Registered Address: Rambla de Catalunya nº 60, 3º 1º, 08700 Barcelona
[12] Registered Address: Theodor-Heuss-Anlage 2, 68165, Mannheim, Germany
[13] Registered Address: 266 West 37th Street, Suite 1202, New York, NY 10018, USA
[14] Registered Address: 85 Broad Street, 8th Floor, New York, NY 1004, USA

13. DEBTORS

	Group 2022 £'000	Company 2022 £'000	Group 2021 £'000	Company 2021 £'000
Trade debtors	31,088	-	20,913	-
Amounts owed by group undertakings	-	81,741	-	28,765
Other debtors	6,134	1,208	3,231	1,208
Prepayments and accrued Income	4,211	-	3,960	-
	41,433	**82,949**	**28,014**	**29,973**
Amounts due after more than one year:				
Deferred tax	5,158	-	3,314	-
	46,591	**82,949**	**31,418**	**29,973**

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 £1,624,000 (2021: £923,000).

14. CASH AT BANK AND IN HAND

	Group	Company	Group	Company
	2022 £'000	2022 £'000	2021 £'000	2021 £'000
Cash at bank and in hand	67,911	-	12,214	-

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group	Company	Group	Company
	2022 £'000	2022 £'000	2021 £'000	2021 £'000
Bank loans and overdrafts	3,032	-	4,883	-
Trade creditors	4,917	-	4,465	-
Other taxation and social security	1,359	-	961	-
Other creditors	5,559	21	5,542	23
Corporation tax	4,438	-	1,513	-
Put/call instrument redemption liability	2,034	-	1,804	-
Accruals and deferred income	58,314	8	51,423	-
	79,683	29	70,591	23

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

	Group	Company	Group	Company
	2022 £'000	2022 £'000	2021 £'000	2021 £'000
Bank loans	188,931	53,000	133,089	-
Loan Notes	7,054	-	7,036	22
Put/call instrument redemption liability	11,155	-	9,327	-
	207,140	53,000	149,452	22

Included in borrowings is a bank loan of £110m which is subject to interest at the rate of SONIA plus 6.36%. The Group has an acquisition/capex facility of which £26.1m (2021: £25.7m) has been drawn as of the year end. This is subject to interest at the rate of SONIA plus 6.15%. 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 SONIA plus 3% and has a maturity date of 19 December 2023. The amounts drawn at year end are £3,032,000 (2021: £4,883,000) and are included within Creditors: Amounts falling due within one year. Bank loans are shown net of arrangement fees of £1,934,000 (2021: £2,585,000).

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

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 subsidiaries.

The loan notes carry a fixed interest rate of 10% payable annually in arrears to current employees.

17. FINANCIAL INSTRUMENTS

The carrying amount of the financial instruments were:

	Group	Company	Group	Company
	2022 £'000	2022 £'000	2021 £'000	2021 £'000
Financial assets that are debt instruments measured at amortised cost:				
Trade debtors (note 13)	31,088	-	20,913	-
Cash at bank and in hand	67,911	-	12,214	-
	98,999	**-**	**33,127**	**-**
Financial liabilities measured at amortised cost:				
Trade creditors (note 15)	4,917	-	4,465	-
Bank loans and overdrafts (note 15 & 16)	191,963	53,000	137,972	-
Loan notes (note 16)	7,054	-	7,036	22
	203,934	**53,000**	**149,473**	**22**
Financial liabilities measured at fair value:				
Put/call instrument redemption liability	13,189	-	11,131	-
	13,189	**-**	**11,131**	**-**

Fair value is determined using a discounted cash flow with assumptions made about the future earnings of the subsidiary (which determine the amount paid), discounted at 14.7% (2021: 13.5%). The difference between the carrying amount and the amount contractually required to be paid at maturity is £3,341,000 (2021: £4,430,000).

The Company is a qualifying entity under FRS 102 and therefore exempt from the disclosure requirements of sections 11 and 12 of FRS 102 in respect of basic and other financial instruments respectively.

18. PROVISIONS FOR LIABILITIES

Deferred tax liabilities / (assets)

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

Group 2022	Intangible assets	Accelerated capital allowances	Losses	Total
	£'0000	£'000	£'000	£'000
1 January	**45,417**	**-**	**(4,642)**	**40,775**
Credit in year	(3,587)	-	(1,420)	**(5,007)**
On acquisition	-	-	-	**-**
Adjustments in respect of prior year	(439)	-	-	**(439)**
Change in tax rate	-	-	-	**-**
Foreign Exchange	(70)	-	-	**(70)**
31 December	**41,321**	**-**	**(6,062)**	**35,259**

Group 2021	Intangible assets	Accelerated capital allowances	Losses	Total
	£'0000	£'000	£'000	£'000
1 January	**35,989**	**109**	**-**	**36,098**
Credit in year	(2,452)	(109)	(4,642)	**(7,203)**
On acquisition	3,701	-	-	**3,701**
Adjustments in respect of prior year	(30)	-	-	**(30)**
Change in tax rate	8,052	-	-	**8,052**
Foreign Exchange	157	-	-	**157**
31 December	**45,417**	**-**	**(4,642)**	**40,775**

Deferred tax assets for tax losses are presented net of related liabilities where they are in relation to the same tax authority/country, relate the same tax grouping and are expected to be settled or recovered net. To the extent these conditions are not met, an asset of £5,158,000 (2021: £3,314,000) is presented within Debtors: Amounts due after more than one year.

19. CALLED UP SHARE CAPITAL

Group and company

Called Up Share Capital	**2022 No:**	**2022 £**	**2021 No:**	**2021 £**
Amounts presented in equity:				
Ordinary A Shares of £0.01	648,039	6,480	648,039	6,480
Ordinary B1 Shares of £0.01	35,241	353	35,241	353
Ordinary B2 Shares of £0.01	66,720	667	66,720	667
Ordinary C1 Shares of £0.01	110,000	1,100	110,000	1,100
Ordinary C2 Shares of £0.01	140,000	1,400	140,000	1,400
Ordinary D Shares of £0.01	3,280	33	3,280	33
10% Cumulative Senior Preference of £1.00	70,317,427	70,317,427	70,317,427	70,317,427
10% Cumulative Junior Preference of £1.00	144,368,105	144,368,105	144,368,105	144,368,105
	214,688,812	**214,695,565**	**215,688,812**	**214,695,565**

On 29 November 2018, 100 £0.01 Ordinary shares were issued for cash at par. On 19 December 2018, the Ordinary shares were reclassed to Ordinary A shares. On this date 647,939 £0.01 Ordinary A shares were issued at a premium of £0.99 each, 35,241 £0.01 Ordinary B1 shares were issued at a premium of £0.99 each, 66,720 £0.01 Ordinary B2 shares were issued at a premium of £0.99 each, 110,000 £0.01 Ordinary C1 shares were issued at a premium of £0.99 each, 140,000 £0.01 Ordinary C2 shares were issued at a premium of £0.99 each, 41,320,875 of the 10% Cumulative Junior Preference shares of £1.00 each were issued, and 143,471,620 of the 10% Cumulative Senior Preference shares of £1.00 each were issued.

At various dates during the year ended 31 December 2021 new senior Preference Shares were issued to the value of £22,846,000. There were no new shares issued in the current year. The total share premium account amounted to £993,000 (2021: £993,000).

Share rights

Voting – Holders of A Ordinary shares shall be entitled to one vote per shareholder. They have the right to exercise at least 75% of total number of votes in the share capital of the company. Holders of B1 Ordinary shares and C1 Ordinary shares shall be entitled to one vote per shareholder. They have the right to exercise no less than 10% of total number of votes in the share capital of the company. Each holder of such shares is entitled to 50% of those votes regardless of the proportion of holdings of B1 Ordinary shares and C1 Ordinary shares of the aggregate number of B1 Ordinary shares and C1 Ordinary shares in issuance. Neither the B2 Ordinary shares, C2 Ordinary shares, 10% cumulative senior preference shares nor 10% cumulative junior preference shares hold any voting rights.

Dividends – Following repayment of any amounts due under the Senior Preference shares and Junior Preference shares, any dividend (if declared) on an Ordinary share shall be paid on a pro rata basis to the Ordinary share shareholders based on the number of Ordinary shares held by each holder as a proportion of all the Ordinary shares then in issue.

Return on capital – On return of capital, payments shall be made first in paying holders of Preference shares and next in paying to each holder of an equity share.

20. Reserves

Share premium account – The reserve records the amount above the nominal value received for shares sold, less transaction costs. The total share premium account amounted to £993,000 (2021: £993,000).

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

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

21. BUSINESS COMBINATIONS

During the current and prior year the Group made a number of investments in relation to the acquisition of established exhibitions and exhibition businesses to expand the market share and geography of the Group's activities.

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

The adjustments relate to the fair value adjustments of identified intangible assets acquired as part of the acquisition and the associated deferred tax liabilities. Intangible fair value adjustments are split between marketing related and customer related intangible assets, representing 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.

Year ended 31 December 2021
Influence Group, LLC

On 30 December 2021 the Group acquired control of Influence Group, LLC through a purchase of 60% of the equity share capital for total consideration of £7,971,000.

Influence Group, LLC runs hosted buyer events focused on connecting construction and facilities management companies with buyers from the hospitality, education and health sectors in the USA. This is complementary to the Group's existing business streams. Because of the date of the acquisition, there is no material impact to the Group's Consolidated Income Statement for the year ended 31 December 2021.

Consideration at 30 December 2021:	**£'000**
Cash	7,448
Directly attributable costs	523
Total consideration	**7,971**

For cash flow disclosure purposes the amounts are disclosed as follows:	**£'000**
Cash consideration	7,448
Directly attributable costs paid in year	265
	7,713
Less: cash and cash equivalents acquired	(1,401)
Net cash outflow	**6,312**

CloserStill Group Limited

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21. BUSINESS COMBINATIONS *(continued)*

Recognised amounts of identifiable assets acquired and liabilities assumed.

	Book value £'000	Adjustments £'000	Fair value £'000
Intangible assets	-	12,460	12,460
Tangible assets	54	(54)	-
Trade and other receivables	435	(129)	306
Cash and cash equivalents	1,401	-	1,401
Trade and other payables	(721)	(250)	(971)
Deferred tax liabilities	-	(3,701)	(3,701)
Total identifiable net assets	1,169	8,326	9,495
Non-controlling interest			(3,798)
Goodwill			2,274
Total consideration			7,971

Also on 30 December 2021 a put/call option was established to permit the Group to acquire the remaining 40% of the equity share capital it does not currently own. The put/call option permits the sale/purchase of equity in two tranches of 20% during a specified period in 2024 and 2026, or earlier under certain defined circumstances. In accordance with the substance of the transaction and the Group's accounting policy, a liability for £7,930,000, being the estimated discounted value, was established and included in Creditors: amounts falling due after more than one year (note 16).

Consideration payments on acquisitions

London Dentistry Show

In April 2022 a payment of £355,000 in respect of contingent consideration was made. During the year ended 31 December 2021 payments of £180,000 were made. Both were under the pre-set deferred consideration arrangements established at the time of acquisition.

Healthcare Publishing & Events Limited

During the year ended 31 December 2021 a payment of £236,000 was made in accordance with the purchase agreement dated 6 September 2019. A final payment of £430,000 was made in September 2022.

Interalia, Ferias Profesionales y Congresos, S.A.

The purchase agreement dated 18 October 2019 included the deferral of £337,000 of consideration, contingent on the final and binding renewal of the venue in which the event is held. This condition has been achieved and accordingly consideration was paid in the year ended 31 December 2022.

CloserStill Group Limited

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For the year to 31 December 2022

22. 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 2022 £'000	Company 2022 £'000	Group 2021 £'000	Company 2021 £'000
Within one year	1,103	16	1,042	4
Within one and five years	799	45	1,482	1
After five years	197	10	268	-
	2,099	**71**	**2,792**	**5**

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

23. CAPITAL COMMITMENTS

As at 31 December 2022, the Group had no capital commitments in 2022 (2021: £219,000 in respect of office moves and refurbishments).

24. RELATED PARTY TRANSACTIONS

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

	2022 £'000	2021 £'000
Costs recharged by Group companies	278	972
Costs recharged to Group companies	3,890	1,925
Amounts owed by related parties at year end	1,538	3,434
Amounts owed to related parties at year end	5,369	8,152

Transactions comprised recharges for staff salaries, expenses and Group management charges. Transactions between 100% owned subsidiaries are exempt from disclosure.

During the year certain directors held Midco 10% Unsecured Management Shareholder instruments (note 17). The total outstanding at the start and end of the year was £1,553,000. Interest of £237,000 was incurred and paid in the year (2021: interest incurred of £237,000). The Loan Notes held are under the same terms as those offered to and held by other employees.

During the year ended 31 December 2020 certain directors forewent the receipt of interest payments of £184,691 due on Loan Notes, in recognition of the working capital requirements of the Group. The amounts were recorded as Funding Bonds, on which interest was charged at 10% per annum. During the year ended 31 December 2021 all amounts owed were repaid, including interest of £14,775. No amounts were outstanding in respect of Funding Bonds at 31 December 2022 or 31 December 2021.

The Company's majority shareholder is Providence Equity Partners (note 25). During no expenses were paid by the Group to Providence Equity Partners (2021: £62,234). No amounts were outstanding at the year end (2021: £Nil).

24. RELATED PARTY TRANSACTIONS *(continued)*

Year ended 31 December 2022

On 23 December 2022 the Group exercised the put/call option to acquire the remaining 19.38% of equity share capital from Interalia Ferias Profesionales y Congresos, S.A for a consideration of £2,656,000. £1,777,000 remains payable to the minority interests as at 31 December 2022. At the time of the purchase the carrying amount of the non-controlling interest was £982,000. The excess of £1,675,000 between the adjustment to the non-controlling interest and the fair value of the consideration paid has been recognised in equity and attributed to the equity holders of the Group.

Year ended 31 December 2021

FocusZone Media, Inc.

On 9 December 2021 the Group acquired the remaining 20% of the issued share capital in FocusZone Media, Inc. that it did not already own for an agreed purchase price of £1,411,000. At the time of the purchase the carrying amount of the non-controlling interest was £610,000. The excess between the adjustment to the non-controlling interest and the fair value of the consideration paid of £801,000 has been recognised in equity and attributed to the equity holders of the Group.

DE France Limited

On 25 May 2021 the previous shareholder agreement for the acquisition of the remaining 15% shareholding in DE France Limited was terminated and the shares not already owned by the Group were transferred for Nil consideration. At the time of the purchase the carrying amount of the non-controlling interest was (£80,000). The excess between the adjustment to the non-controlling interest and the fair value of the consideration paid of £80,000 has been recognised in equity and attributed to the equity holders of the Group.

25. 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. These financial statements comprise the largest group for which consolidated financial statements are published.

26. EVENTS AFTER THE BALANCE SHEET DATE

In January 2023, the Group completed two acquisitions, OpenRoom Events Holdings Ltd and CommerceNext LLC.

OpenRoom Events Holdings Ltd is a UK based 1-2-1 hosted buyer business, operating across various global markets, focussed on certain healthcare sectors and the petrol/EV forecourt/convenience store sector. The acquisition was for £10.6m to purchase 70% with an option to acquire the remaining 30% after 2024.

CommerceNext LLC is a US business that runs an annual two-day ecommerce event in New York. In addition to the main event, it runs other smaller format events including dinners and parties as well as virtual products such as webinars, podcasts and virtual lunches. A 51% holding was purchased for £5.8m with further options to acquire the remaining 20% and 29% after 2024 and 2025 respectively.

On 26 January 2023 the Group completed a capital reduction by cancelling and extinguishing £0.29 on each of the 10% cumulative redeemable senior preference shares of £1.00 each in the capital of the Company, reducing the nominal value of the shares from £1.00 per share to £0.71per share.

On 30 January 2023 the Group redeemed 14,995,420 of the total 70,317,427 Senior preference shares in CloserStill Group Ltd at a price of £1.344. 146,653 Midco 10% Unsecured Management Shareholder Instruments dated 29 September 2020 and 1,472,279 dated 19 December 2018 were also redeemed.

27. RECONCILIATION OF MANAGEMENT EBITDA

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

	2022 £'000	2021 £'000
Continuing operating loss	(2,144)	(61,455)
Amortisation	30,826	33,323
Depreciation	456	679
Exceptional items	350	23,137
Management exceptional costs	1,039	780
Foreign exchange	(4,449)	16
Share based payments	968	988
Management EBITDA*	**27,096**	**(2,532)**

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, exceptional and management exceptional items and accounting for foreign exchange and non-cash share-based payments charges to employees.*