

Company Registration No. 11703817

CSM Finance Limited

Annual Report and Consolidated Financial Statements
for the year to 31 December 2021

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CSM Finance Limited
Annual Report and Consolidated Financial Statements
For the year to 31 December 2021

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CSM Finance Limited
Officers and Advisers
For the year to 31 December 2021

Directors

G G T Bowhill
S Krnic
A Mishenin
P W Soar

Registered office

Exhibition House
Addison Bridge Place
London
W14 8XP

Independent auditors

PricewaterhouseCoopers LLP
One Chamberlain Square
Birmingham
United Kingdom
B3 3AX

CSM Finance Limited

Strategic Report

For the year to 31 December 2021

The directors present their Strategic Report for CSM Finance Limited for the year to 31 December 2021

Principal activities

The principal activity of the Company during the year was to act as the intermediate 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

The trading Group, which has historically been very profitable with significant annual growth, has continued to operate throughout 2021 despite restrictions due to Covid-19 in various jurisdictions. 2021 saw the return of physical events principally since the fourth quarter across the Group but predominantly in the UK. Whilst the Group's event attendance during 2021 was generally lower than previous editions, exhibitors fed back that the audience quality was high and due to well managed expectations along with Covid safe environments this meant exhibitor satisfaction was high. The events that the Group delivered in the fourth quarter demonstrated a strong rebound from Covid and delivered higher than normal rebook results which subsequently has helped generate a very strong book of business going into 2022. The results for the year are set out below:

Review of business performance & key performance indicators

	2021 £'000	2020 £'000
Financial performance indicators:		
Revenue	31,352	18,765
Gross profit	17,843	14,920
Management EBITDA*	(2,532)	(5,062)
Net cash generated from operating activities	18,926	2,050
Non-financial performance indicators:		
	No.	No.
Attendees at CloserStill events		
- Physical	81,851	27,132
- Virtual	49,910	42,281

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

Government enforced Covid-19 restrictions continued into 2021 in varying forms across our geographies. The Group entered 2021 cautiously constantly monitoring the landscape. Budget intentions set in Q4 2020 anticipated that the restrictions would lift in H1 2021, however as new Covid variants spread and further restrictions continued most H1 and Q3 events were further postponed to 2022. The management team maintained a 'plan B' on all events and where appropriate reverted to online delivery to maintain customer contact and deliver leads. Digital events were delivered across the Learning and Technology sectors as well as parts of the Healthcare portfolio. Whilst these digital events supported our served markets, as 2021 progressed the Group saw increasingly strong customer sentiment and demand for a return back to physical face to face events. Spain was the first geography to run a full physical trade event in July in Barcelona in the e-commerce sector. This was followed by a number of hugely successful events in the UK through October and November including the occurrence of the flagship event London Vet Show at Excel. The 2020 acquired event London Dentistry Show ran in September at Olympia where the success of the event resulted in forward orders taken on-site for the 2022 event exceeding 200% of the total 2021 event orders.

CSM Finance Limited

Strategic Report

For the year to 31 December 2021

Review of business performance & key performance indicators (continued)

Generally during 2021 the Group's other geographies saw a slower return of customer sentiment as compared to the UK and Spain however hybrid smaller events were held in Germany such as OEB, and the US with New York Vet. All events ran positively with great feedback and whilst events sometimes did not have the same level of overall attendance as in 2019, the quality of audience was strong, customer feedback was extremely positive and this has resulted in a strong level of rebooked business for 2022 events.

Results for the year ended 31 December 2021 reflect the fact that the Group saw a continuation of Covid restrictions for the majority of the period, and whilst quarter 4 delivered strong events, the Group Management EBITDA position remained loss making. Costs and cash were well managed throughout the Group, including working with suppliers to only commit costs close to the event and when the event date was committed. The full year results report a loss in Management EBITDA of £2,532,000 (2020: loss of £5,067,000).

Core to the Group's strategy is to continue to clone the UK's successful events into new geographies and to constantly evolve existing brands, particularly by keeping pace with the dynamic nature of each of the human and animal health and specialist technology sectors. This has continued through the pandemic in the healthcare sector, with a number of new events planned to be launched for the first time in 2021/2022 including BVA Live (Birmingham Vet), Future Surgery and Oncology Professional Care. In the case of Future Surgery, this show ran at Excel in November 2021 alongside the Group's existing shows AGM (Acute and General Medicine) and ACC (Anaesthesia and Critical Care). Future Surgery proved to be a fantastic launch event with an attendance that exceeded expectations. Working alongside the Association of Surgeons, the show delivered cutting edge content including the streaming of a live operation direct from Barts Hospital – this was an exhibition first!

As part of our new launch strategy we have introduced virtual first concept testing, which takes a launch proposition first through a digital event delivery in order to prove event concepts and build community data which in turn subsequently can significantly increase the speed of a following physical launch. One such product OPC (Oncology Professional Care) ran as an online virtual concept launch, which after generating strong positive feedback has now been moved to a standalone annual physical event in May 2022 at Excel London. New concepts are in the pipeline for 2022 with further clones and new bolt-ons being planned.

The ERP roll out continued in 2021 in the overseas territories and went live fully across the Group on 1 July 2021 following the UK which went live in December 2020. The Unit 4 system has significantly reduced the complexity of running numerous financial systems across the Group and now allows for easier consolidation, reporting and forecasting with more efficiency across the Group finance function.

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. These requirements have been waived through to June 2023 under the revised Senior Finance Agreement referenced below. The Group has also received significant cash support from its majority investor Providence Equity Partners (PEP) through the Covid-19 period via £23.5m cash drawn through an Equity Commitment Letter (ECL) signed in 2020.

On 29 December 2021 the Group utilised \$5.5m of the acquisition facility bank loan, which is subject to interest at a rate of SONIA plus 6.15%, to fund the Influence Group acquisition. A further \$5.5m funding from PEP was received in support of the acquisition purchase.

As at the end of the year the company had £11.7m cash available, an increase of £5.2m from 31 December 2020. Operating cash generated in the 12 months period ended 31 December 2021 was £18.9m comparing to 2020 £2.1m. This was predominately due to further cash for the CloserStill Group sourced in the year from PEP through the ECL draw and issue of new share capital. The success of running the Q4 shows and collecting the debts due from exhibitors prior to running the returning events also contributed to the increase.

CSM Finance Limited

Strategic Report

For the year to 31 December 2021

Review of business performance & key performance indicators (continued)

Working capital movements generated a cash improvement which included an increase in deferred income, representing the increased rolled event revenue as the shows were postponed and elongated sales cycle, offset by the release of deferred revenue on the events that occurred in Q4. Trade creditors were also increased as at 31 December 2021 vs 2020 and this represents the invoices unpaid relating to these Q4 events.

Acquisitions

The Group continued to be acquisitive in 2021 and continues to look for investments to expand market share and geographical reach of the Group's activities.

On 30 December 2021, the Group acquired control of Influence Group, LLC through a purchase of 60% of the equity share capital for a total consideration of £7,971,000. Influence Group runs hosted buyer events focused on connecting buyers and sponsors across space, design and facility construction industries which also includes related innovation and emerging technologies. Influence Group currently has eight events for the Restaurant, Education, Retail, Hotel, Real Estate, Workplace, Healthcare and Senior Living sectors that typically run between March and November each year. This acquisition expands the CloserStill Group proposition into new hosted buyer, one to one type events and also expands the Group's US operations.

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

Outlook

Following a rewarding and hugely successful suite of events towards the end of 2021, in particular in the UK and Spain, management are further confident in knowing that the Group's customers, exhibitors and delegates continue to demand as strongly as ever the type of face to face events that the Group operates. Management took the view that Quarter 1 of 2022 may be difficult, in particular January and February, with the increase in Omicron cases in December. Early 2022 events were therefore rescheduled to Quarter 2 including the highly successful Learning Technologies event which now has a date line of May 2022 (previously February). Frankfurt Tech also has a new date line of May following the need to postpone the December 2021 event. All CloserStill geographies are now opening up for face to face business and whilst there is still a concern over the volume of attendees, versus previous cycles in some geographies, management are confident in attracting the core C-suite Board and Senior level attendees with purchasing power that the exhibitors long to interact with, improving the quality of the events and subsequently driving growth in forward bookings.

Three significant CloserStill events have taken place in March 2022, operating in each of the UK, France and Spain and all have delivered results in-line or in excess of budgets set. The UK Tech event ran at Excel from 2-3 March. Investment was made in keynote speakers, with Sir Tim Berners-Lee opening the event. The event over achieved on audience delivery, achieving the total target numbers for two days of the show on day 1. Pharmagora organised on 12-13 March 2022 in Paris and was another success with close to a 20% increase in revenue versus the 2019 event and a 16% increase in number of exhibitors. Finally, the Infarma event organised on 22-24 March 2022 in Madrid. This was the first event ran under the CloserStill ownership post the acquisition in 2019. The event was well received by exhibitors and attendees with attendance being in line with previous editions.

CloserStill prides itself in being the best at what it does and this is demonstrated in its record of winning industry awards, of which 4 new awards were presented to CloserStill in March 2022 at the Exhibition News Awards evening. Awards were won in the categories of Best Event Director, Best Trade Show, Best Operations Team and Best Brand Expansion. This demonstrates our commitment to our products, new launches and importantly our staff.

CSM Finance Limited

Strategic Report

For the year to 31 December 2021

Outlook (continued)

All the events we have run since September 2021 and through to 2022 have exceeded our initial expectations and as such reinforces our view as to the undimmed demand for, and sustainability of, leading face to face events of the type that CloserStill operates. The Group went into the new year with an order book for 2022 that was c16% in excess of the like for like point in the pre-Covid 2019/2020 cycle. This is due not only to the strength of postponed events where customers have maintained their booking through to the postponed future event, but also due to very strong on-site rebooking for 2022 events after running successful 2021 editions, for which we have seen in total forward bookings that have been ahead of previous cycles by c10%.

We believe the Group runs the #1 events in our markets with predominantly domestic audiences and so are less impacted by travel restrictions and therefore management fully expect all events to run in 2022 in the belief that the geographies continue to remain open. Management have set 2022 budgets with strong top-line growth relative to the Covid disruption the Group has faced, whilst continuing to ensure we invest sufficiently in our post-Covid event delivery to best secure strong stakeholder satisfaction as well as invest in our content and audience delivery capabilities to ensure short and medium term organic growth. In addition, the Group continues to invest in structural improvements to our infrastructure in order to create better capability and capacity to execute upon our future in-organic and launch growth agenda.

The Group enters 2022 with the vast majority of its individual event clusters expecting to grow in size compared to the pre-Covid position which management considers hugely encouraging. This growth expectation is supported by the feedback on Q4 2021 and Q1 2022 events, the growth in order book compared to previous cycles and the recent sales trends in which we have seen several record sales weeks for the Group being recorded

Results and dividends

The total comprehensive loss attributable to the owners of the Group after taxation and minority interests for the financial year was £70.9m (2020: £53.8m, restated), due to an excess of administrative expenses over revenue, and interest payable over operating profit arising from its highly leveraged capital structure, which is not uncommon for private equity backed businesses. The directors do not recommend a dividend.

Principal risks and uncertainties

Covid-19 has posed a significant challenge to the risk management and resilience of the business around the globe. As detailed above management have responded well over the previous two years to maintain cashflow and mitigate further risk and have assessed the business as a going concern. Management are aware that a future pandemic may further disrupt the business but, as has been demonstrated over the recent period, CloserStill has proved to be in resilient markets and as a business is agile in its ability to move into digital markets and manage its cost base as needed.

Management take an approach to identify, log, assess and monitor identified risks and actions are taken where appropriate. The Board is ultimately responsible for aligning the risk appetite of the Group with the long term strategic plans of the Group. The relevant leadership teams and local management are responsible for highlighting emerging risks through market changes and local political changes which may impact the Group. These are reported to Group management on a monthly basis which can then be reviewed.

Financial risks

The Group's principal financial instruments comprise bank loans and loan. As the Group expands further overseas exchange rate fluctuations are likely to have a larger impact on the consolidated financial statements.

Further details are included in Directors' report (pages 10-12)

CSM Finance Limited

Strategic Report

For the year to 31 December 2021

Environment

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

Within the Offices

The return to working from the offices has been managed in a Covid-safe environment and this has meant more cleaning of the premises throughout the day. The cleaning companies 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.

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

The Group offers employees cycle to work schemes to encourage fitness and reduce local commuting, with showers available in the offices for those that choose to cycle to work.

Within our Events

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

Suppliers

Key Suppliers include the show venues and specifically the NEC and Excel in the UK, Javits Centre and MGM Resorts in the USA and Marina Bay Sands in Singapore.

These venues have strong sustainability values with examples including:

- Zero waste to landfill with an average recycle rate of 80%.
- Waste not travelling further than 30 miles from site
- Energy efficient HVAC, lighting and escalators.
- Reduced water consumption through automated taps and rainwater collection
- Food waste used for onsite wormery.
- Green planted solar roof at Javits, to generate power, absorb rainwater and reduce heat build-up.

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

CSM Finance Limited

Strategic Report

For the year to 31 December 2021

Environment (continued)

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

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

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

Customers

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

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

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

Employees

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

Build Back Better

CloserStill is putting in place a medium-term sustainability plan with measurable targets and will report against these targets in future.

Streamlined Energy and Carbon Reporting (SECR)

The Company is exempt from the SECR disclosure regime as a low energy user. The Group is not required to present SECR disclosures as all subsidiary companies are individually small. The Group intends to keep this matter under review and will consider voluntarily adopting disclosures, should the size/energy use thresholds not be met in future years.

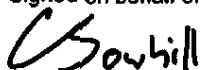
CSM Finance Limited
Strategic Report
For the year to 31 December 2021

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

Section 172 of the Companies Act 2006 ("s.172") requires directors to promote the success of the Company for the benefit of the members as a whole and in doing so have regard to the interest of the stakeholders including customers, employees, suppliers and the wider community in which it operates. The Board is focused on its responsibilities under s.172 and the impact of the business on key stakeholder groups is considered on a regular basis. The below table identifies where in the Annual Report information on factors the Board believe demonstrate its compliance with section 17(1)(a)-(f) are set out in more detail.

The Board has had regard to the following matters:	More information:
(a) Long-term results -the likely consequences of any decision in the long term	Strategic Report: Principal activity and business review, Page 2 Review of business performance & key performance indicators, Page 2 Acquisitions, Page 4 Results and dividends, Page 5 Directors' Report: Financial risk management, Page 10
(b) Our workforce -the interest of the Company's employees	Directors' Report: Statement of engagement with employees, Page 12
(c) Our business relationships -the importance of developing the Company's business relationships with suppliers, customers and others	Directors' Report: Statement of engagement with suppliers, customers and others in a business relationship with the company, Page 13
(d) The community and environment - the impact of the Company's operations on the community and the environment	Strategic Report: Environment, Page 6
(e) The company's reputation - the desire to maintain a reputation for high standards of business conduct	Directors' Report: CloserStill's reputation in the industry, Page 13
(f) Fairness between Shareholders -the aim to act fairly between members of the Company	Directors' Report: Statement of engagement with suppliers, customers and others in a business relationship with the company, Page 13

Signed on behalf of the board by



G G T Bowhill
Director

Approved by the board on 18 May 2022

CSM Finance Limited

Directors' Report

For the year to 31 December 2021

The directors present their report and the audited consolidated financial statements of CSM Finance Limited for the year ended 31 December 2021.

The company was incorporated on 29 November 2018.

Directors

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

G G T Bowhill
S Krnic
A Mishenin
P W Soar

Future developments

The Group's Strategic Report (which is incorporated into this report by cross reference) sets out the major events for the year to 31 December 2021, including the impact of COVID-19. Enquiries and bookings for future editions of existing and new events are being taken, and these have increased significantly since the end of January 2022 with record Group sales being delivered through February ahead of the UK Tech event. As at March 2022 bookings versus budget are ahead of prior cycle as a percentage of total by 1% on H1 events and 6.7% ahead on H2 events on a like for like basis.

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.

Going concern

At 31 December 2021, the Group's financing arrangements consist of a £110m term loan (2020: £110m), a £35m (2020: £35m) CAPEX facility of which £25.7m (2020: £17.1m) had been drawn down, a £5m (2020: £5m) revolving credit facility. During the year, a draw down of the CAPEX facility was undertaken for \$5.5m on 29 December 2021 to fund 50% of the acquisition of Influence Group, LLC. The remaining 50% was funded by PEP through a further issue of preference shares £17.5m was drawn from PEP in the year (2020: £6m) through preference share issues against the Equity Commitment Letter ("ECL") £32m facility which was put in place as part of the revised SFA agreement with Hayfin. No further funding from PEP is expected in 2022.

The Group is ordinarily highly cash generative but due to Covid-19 related restrictions for most of 2020 and 2021, generation of cash was significantly reduced. The Group has net current liabilities of £55.7m (2020: £38.8m) and made a loss before tax of £70.1m (2020: £54.4m, restated) due to the impact of the excess of administrative expenses over revenue, and non-cash charges, which in 2021 includes an impairment charge of £21.8m (2020: £Nil) against the Healthcare & Medical, Vet and Technology goodwill. This arose from revised growth forecasts, post-Covid, and updated discount rates. Other non-cash charges include amortisation of goodwill and intangible assets.

CSM Finance Limited

Directors' Report

For the year to 31 December 2021

Going concern (continued)

The Group has prepared for 2022 with a budget that shows good like-for-like revenue growth versus the 2019 pre-Covid-19 pandemic period. In addition, management has also prepared a sensitised downside scenario. Management believe that all events will run in 2022 in some form due to the easing of Covid-19 restrictions, however management can plausibly envisage a scenario where revenues are lower than current expectations due to the timing of returning to full confidence for all regions. As such the downside scenario reflects a significant reduction in revenue across some of the H1 smaller events and also a general reduction across H2 events where bookings are still to be secured. In reality, H2 bookings are ahead of expectations (and ahead of previous cycles on a like for like basis) and therefore whilst it is plausible that sales may reduce, management do not believe a materially significant reduction is likely. Some direct cost savings have been assumed against the reduced revenue, however an allowance for sunk costs and continued investment has been maintained given that, in reality, management would not wish to cut costs to the detriment of any future event. Management are confident that continued careful cash management under the budgeted scenario will require no further funding from PEP. This is the same case under the downside scenario as management have again assumed that they can work with suppliers to support a level of cash management and maintain minimal liquidity levels as required under the current SFA. If, however, this were not possible there remains an available £8.5m in funding under the ECL commitment that has been received from PEP. Management therefore do not believe there is likely to be a liquidity shortfall in 2022.

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

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

A Bridge Liquidity arrangement was executed on 2 July 2020 through a PEP Equity Commitment Letter (with an availability of funds of no less than £32m) for general corporate and working capital purposes of the Group to ensure it maintains a minimum liquidity of £5m within the Group at each month end. The Bridge Liquidity arrangement remains in place for an open ended period, to ensure there will be no liquidity issues for the foreseeable future, until such point that the Group can maintain liquidity to £5m and achieve covenants with a leverage of 5x using EBITDA as calculated under normal accounting rules. The Bridge Liquidity arrangement is also guaranteed by Citibank Europe PLC. As at 31 December 2021 the Group had drawn £23.5m. There remains a further £8.5m available to draw under the guaranteed facility.

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.

Events after the balance sheet date

There were no events after the balance sheet date.

Dividends

During the year to 31 December 2021, dividends paid were £Nil (2020: £ Nil).

Financial risk management

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

CSM Finance Limited

Directors' Report

For the year to 31 December 2021

Financial risk management (continued)

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

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

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

i. Liquidity risk

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

ii. Foreign currency risk

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

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

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

iii. Interest rate risk

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

iv. Credit risk

Credit risk arises from the possibility that the counterparty to a transaction may be unable or unwilling to meet its obligations, causing a financial loss to the Group. Credit risk arises mainly from the Group's trade receivables. Trade receivables are subject to a policy of active risk management which focuses on the assessment of credit availability, ongoing credit evaluation, and account monitoring procedures. There are no significant concentrations of credit risk due to the Group's large number of customers and their wide geographical spread. The impact of COVID-19 has not impacted credit risk for customers and the business has continued to collect stand and sponsorship sales in advance of physical events in line with previous cycles. Covid-19 has had some impact for new suppliers especially in the USA in terms of extending credit to CloserStill, however this has been minimal and is not seen as a significant cashflow risk.

CSM Finance Limited

Directors' Report

For the year to 31 December 2021

Financial risk management (continued)

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 maximize margins.

With regards to Ukraine and Russia, CloserStill has no events in these geographies and very few customers are Russian, therefore no risk is foreseen.

Group tax policy

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

Statement of engagement with employees

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

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

We regularly engage with our teams through quarterly company meetings where we update on performance, introduce new starters, announce promotions, etc. We run annual awards for best sales, best operations, best finance, best marketing and best team where we acknowledge excellence in their fields which are announced at our Christmas party. As we continue to grow and develop the business, we are always interested in speaking to talented and passionate people who want to build a career in events. We run active graduate schemes in London, Singapore, New York and Germany and are also interested in hearing from experienced event professionals wanting to join our winning team.

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

CSM Finance Limited

Directors' Report

For the year to 31 December 2021

CloserStill's reputation in the industry

In the last 12 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 50 major industry awards, including the coveted 'Best Business Exhibition' seven times, featured in The Sunday Times 100 Best Places to Work three times (2018, 2019 & 2020) 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 (x7), Best Marketing (x9), Best Operations (x4), Best Sales (x5), Best Event Director (x4) and Best Launch or Brand Extension (x6). Adapting to digital during 2020, we have also won 4 awards at the new Digital Event Awards.

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.

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

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

Modern Day Slavery Act Statement

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

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. In all global locations where we run our events 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.

Risk Assessment and management

The company is not involved in manufacturing and has strict employment policies and therefore we believe there is low risk of non-compliance amongst our direct employees. Our overall assessment is that the CloserStill Group has little risk related to its primary tier suppliers and customers. A key focus of the Group in the forthcoming period is to accelerate a program of implementing enhanced policies and training management and staff in undertaking relevant risk assessments and recognising situations where modern day slavery may be a concern.

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 2021.

CSM Finance Limited

Directors' Report

For the year to 31 December 2021

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

Organisational Structure

The Board of Directors headed by the Chairman and the Chief Executive Officer are based in the UK. As at 31 December 2021 there were 330 employees consisting of sales, marketing, operations and administration staff, based in the following countries: United Kingdom 210, Germany 28, Spain 19, France 1, Singapore 20, Hong Kong 1 and USA 51.

Suppliers

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

Customers

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

Shareholders

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

Debt capital / credit facility providers

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

Monthly financial information is shared with the banks on profitability and cashflow following the monthly Board Meetings. Quarterly review meetings also take place to ensure the banks are kept informed of trading and forecast expectations. A higher level of reporting during the Covid-19 outbreak was in place, as detailed in the going concern section of the Directors' report.

HR Policies

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

CSM Finance Limited

Directors' Report

For the year to 31 December 2021

Statement of directors' responsibilities in respect of the financial statements

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

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

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

The directors are also responsible for safeguarding the assets of the Group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and company and enable them to ensure that the financial statements comply with the Companies Act 2006.

Directors' confirmations

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

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

Independent Auditors

The auditors, PricewaterhouseCoopers LLP 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



G G T Bowhill
Director

Approved by the board on 18 May 2022

CSM Finance Limited

Independent auditors' report to the members of CSM Finance Limited
For the year to 31 December 2021

Report on the audit of the financial statements

Opinion

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

- give a true and fair view of the state of the group's and of the company's affairs as at 31 December 2021 and of the group's loss and the group's cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006

We have audited the financial statements, included within the Annual Report and Consolidated Financial Statements (the "Annual Report"), which comprise: the Consolidated and Company Balance Sheets as at 31 December 2021, the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Changes in Equity, the Company Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

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

Independence

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

Conclusions relating to going concern

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

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

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

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

Reporting on other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material

CSM Finance Limited

Independent auditors' report to the members of CSM Finance Limited

For the year to 31 December 2021

misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

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

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

Strategic report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' Report for the year ended 31 December 2021 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

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

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

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

- Enquiring of management, and those charged with governance, as to whether the entity is in compliance with such laws and regulations;
- Obtaining an understanding of the control environment in monitoring compliance with laws and regulations;
- Reviewing legal expense accounts and board minutes;

CSM Finance Limited

Independent auditors' report to the members of CSM Finance Limited

For the year to 31 December 2021

- Responding to the risk of management override of controls through a combination of substantive testing of journal entries, incorporating elements of unpredictability into the nature, timing and extent of planned audit procedures, and testing of accounting estimates and judgements which could be subject to management bias; and
- Reviewing financial statement disclosures and tested to supporting documentation to assess compliance with applicable laws and regulations.

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

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

Use of this report

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

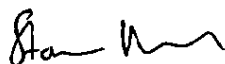
Other required reporting

Companies Act 2006 exception reporting

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

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

We have no exceptions to report arising from this responsibility.



Steven Kentish (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

Birmingham

19 May 2022

CSM Finance Limited
Consolidated Income Statement
For the year to 31 December 2021

		For the year to 31 December 2021	For the year to 31 December 2020 (restated*)
	Note	£'000	£'000
Revenue	3	31,352	18,765
Cost of sales		(13,509)	(3,845)
Gross profit		17,843	14,920
Administrative expenses		(79,298)	(60,597)
Operating loss	4	(61,455)	(45,677)
Management EBITDA	28	(2,532)	(5,062)
Amortisation	11	(33,323)	(32,246)
Depreciation	12	(679)	(751)
Exceptional items	5	(23,137)	(5,210)
Management exceptional items		(780)	(1,041)
Foreign exchange		(16)	(422)
Share based payments	6	(988)	(945)
Interest receivable and similar income	8	-	6
Interest payable and similar expenses	9	(8,683)	(8,688)
Loss before taxation		(70,138)	(54,359)
Tax on loss	10	(1,430)	(280)
Loss for the financial year		(71,568)	(54,639)
Loss for the financial year attributable to:			
Owners of Parent		(71,115)	(53,952)
Non-controlling interest		(453)	(687)
Loss for the financial year		(71,568)	(54,639)

* see Note 2

There are no material discontinued operations during the year

The notes on pages 25 to 57 form part of these financial statements

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

CSM Finance Limited
Consolidated Statement of Comprehensive Income
For the year to 31 December 2021

	For the year to 31 December 2021	For the year to 31 December 2020 (restated*)
	£'000	£'000
Loss for the financial year	(71,568)	(54,639)
Other comprehensive income for the year		
<u>Currency translation gains in foreign operations</u>	<u>1,316</u>	<u>182</u>
Total comprehensive expense for the year	(70,252)	(54,457)
Total comprehensive expense for the financial year attributable to:		
Owners of the Parent	(69,799)	(53,770)
<u>Non-controlling interests</u>	<u>(453)</u>	<u>(687)</u>
	(70,252)	(54,457)

*see Note 2

The notes on pages 25 to 57 form part of these financial statements

CSM Finance Limited

Consolidated and Company Balance Sheets

As at 31 December 2021

	Note	2021		2020	
		Group	Company	Group (restated*)	Company
		£'000	£'000	£'000	£'000
Fixed assets					
Intangible assets	11	182,824	-	185,492	-
Goodwill	11	100,201	-	136,437	-
Negative goodwill	11	(1,537)	-	(1,797)	-
Tangible assets	12	895	-	1,071	-
Investments	13	-	192,235	-	192,235
		282,383	192,235	321,203	192,235
Current assets					
Debtors	14	30,210	-	27,454	-
Cash at bank and in hand	15	11,705	-	6,466	-
		41,915	-	33,920	-
Creditors: amounts falling due within one year	16	(97,571)	-	(72,731)	-
Net current liabilities		(55,656)	-	(38,811)	-
Total assets less current liabilities		226,727	192,235	282,392	192,235
Creditors: amounts falling due after more than one year	17	(142,415)	-	(132,339)	-
Provisions for liabilities	19	(44,089)	-	(36,098)	-
Net assets		40,223	192,235	113,955	192,235
Capital and reserves					
Called up share capital	20	1,922	1,922	1,922	1,922
Share premium account	21	190,313	190,313	190,313	190,313
Translation reserve	21	981	-	(335)	-
Accumulated losses	21	(159,033)	-	(81,170)	-
Total equity attributable to owners of the parent		34,183	192,235	110,730	192,235
Non-controlling interests		6,040	-	3,225	-
Total Equity		40,223	192,235	113,955	192,235

*See note 2

The company had no revenue or costs for the year to 31 December 2021 (2020: Nil).

The financial statements on pages 19 to 57 were approved by the board of directors and authorised for issue on 18 May 2022, and are signed on behalf of the board by:



G G T Bowhill

Director

Registration no: 11703817

The notes on pages 25 to 57 form part of these financial statements

CSM Finance Limited
Consolidated Statement of Changes in Equity
For the year to 31 December 2021

	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 Interest £'000	Total Equity £'000
As at 1 January 2020	1,922	190,313	(517)	(23,862)	167,856	3,912	171,768
Prior year adjustments (note 2)	-	-	-	(6,603)	(6,603)	-	(6,603)
As at 1 January 2020 (restated)	1,922	190,313	(517)	(30,465)	161,253	3,912	165,165
Loss for the year as previously stated	-	-	-	(50,672)	(50,672)	(687)	(51,359)
Prior year adjustments (note 2)	-	-	-	(3,280)	(3,280)	-	(3,280)
Loss for the year (restated)	-	-	-	(53,952)	(53,952)	(687)	(54,639)
Other comprehensive income	-	-	182	-	182	-	182
Total comprehensive income/(expense)	-	-	182	(53,952)	(53,770)	(687)	(54,457)
Credit related to Share based payments	-	-	-	945	945	-	945
Revaluation of put/call option redemption liabilities (restated)	-	-	-	2,302	2,302	-	2,302
Total for transactions with owners (restated)	-	-	-	3,247	3,247	-	3,247
As at 31 December 2020 and 1 January 2021 (restated)	1,922	190,313	(335)	(81,170)	110,730	3,225	113,955
Loss for the year	-	-	-	(71,115)	(71,115)	(453)	(71,568)
Other comprehensive income	-	-	1,316	-	1,316	-	1,316
Total comprehensive income/(expense)	-	-	1,316	(71,115)	(69,799)	(453)	(70,252)
Credit related to Share based payments	-	-	-	986	986	-	986
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 liability	-	-	-	(6,855)	(6,855)	-	(6,855)
Total for transactions with owners	-	-	-	(8,748)	(6,748)	3,268	(3,480)
Balance at 31 December 2021	1,922	190,313	981	(159,033)	34,183	6,040	40,223

The notes on pages 25 to 57 form part of these financial statements.

CSM Finance Limited
Company Statement of Changes in Equity
For the year to 31 December 2021

	Called up Share capital £'000	Share Premium Account £'000	Accumulated losses £'000	Total £'000	Non- controlling Interest £'000	Total Equity £'000
As at 1 January 2020	1,922	190,313	-	192,235	-	192,235
Issue of share capital	-	-	-	-	-	-
Credit related to share based payments	-	-	-	-	-	-
Total for transactions with owners	1,922	190,313	-	192,235	-	192,235
Comprehensive income						
Result for the year	-	-	-	-	-	-
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	-	-
As at 31 December 2020	1,922	190,313	-	192,235	-	192,235
Issue of share capital	-	-	-	-	-	-
Credit related to Share based payments	-	-	-	-	-	-
Total for transactions with owners	-	-	-	-	-	-
Comprehensive income						
Result for the year	-	-	-	-	-	-
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	-	-
Balance at 31 December 2021	1,922	190,313	-	192,235	-	192,235

The notes on pages 25 to 57 form part of these financial statements.

CSM Finance Limited
Consolidated Statement of Cash Flows
For the year to 31 December 2021

		For the year to 31 December 2021 £'000	For the year to 31 December 2020 (restated*) £'000
	Note		
Cash flows from operating activities			
Loss for the financial year		(71,568)	(54,639)
Adjustment for:			
Depreciation of tangible fixed assets	12	679	751
Amortisation of intangible fixed assets	11	33,323	32,246
Impairment and disposal of intangible fixed assets	11	21,846	-
Foreign exchange		16	523
Equity share based payment expense	6	988	945
Interest receivable	8	-	(6)
Interest and similar charges payable	9	8,683	8,688
Taxation	10	1,430	280
Adjusted operating loss before changes in working capital		(4,603)	(11,212)
Increase in trade and other receivables		863	(6,240)
Working capital injection		-	6,000
Increase in trade and other payables		23,101	13,502
Cash generated from operations		19,361	2,050
Tax paid		(435)	-
Net cash generated from operating activities		18,926	2,050
Cash flows from investing activities			
Acquisition of subsidiaries	22	(6,728)	(12,045)
Purchase of tangible fixed assets	12	(394)	(160)
Purchase of intangible fixed assets	11	(1,919)	(865)
Interest received	8	-	6
Net cash used in investing activities		(9,041)	(13,064)
Cash flows from financing activities			
Proceeds from new borrowing	16,17	4,077	17,123
Interest and similar expenses paid		(8,034)	(7,491)
Buyout of non-controlling interests	25	(705)	-
Net cash (used in)/generated from financing activities		(4,662)	9,632
Net increase/(decrease) in cash and cash equivalents		5,223	(1,382)
Cash and cash equivalents at the beginning of the year		1,871	3,253
Exchange losses on cash and cash equivalents		(272)	-
Cash and cash equivalents at the end of the year		6,822	1,871
Cash and cash equivalents consists of:			
Cash at bank and in hand		11,705	6,466
Bank overdrafts		(4,883)	(4,595)
Cash and cash equivalents		6,822	1,871

* See Note 2

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 25 to 57 form part of these financial statements

CSM Finance Limited

Notes to Consolidated Financial Statements For the year to 31 December 2021

1. GENERAL INFORMATION

The Company was incorporated on 29 November 2018. The Company 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 CSM Finance Limited and all of its subsidiaries (note 13). The principal activity of the Company during the year was to act as an intermediate holding company for the CloserStill Group of companies which operate content-led exhibitions throughout the UK, Europe, USA and Asia.

2. ACCOUNTING POLICIES

Basis of Preparation

The Group and Company financial statements have been prepared on a going concern basis in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006, including the provisions of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, and under the historical cost convention as modified by the recognition of certain financial liabilities measured at fair value. These consolidated financial statements are for the year to 31 December 2021. The Group commenced trading from 19 December 2018 and the trading results are consolidated from this date.

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

The accounting policies set out below have been applied consistently for the year to 31 December 2021 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 CSM Finance Limited and all of its subsidiary undertakings for the year ended 31 December 2021. 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 2021.

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.

CSM Finance Limited

Notes to Consolidated Financial Statements For the year to 31 December 2021

2. ACCOUNTING POLICIES (continued)

Going Concern

At 31 December 2021, the Group's financing arrangements consist of a £110m term loan (2020: £110m), a £35m (2020: £35m) CAPEX facility of which £25.7m (2020: £17.1m) had been drawn down, a £5m (2020: £5m) revolving credit facility. During the year, a draw down of the CAPEX facility was undertaken for \$5.5m on 29 December 2021 to fund 50% of the acquisition of Influence Group LLC. The remaining 50% was funded by PEP through a further issue of preference shares £17.5m was drawn from PEP in the year (2020: £6m) through preference share issues against the Equity Commitment Letter ("ECL") £32m facility which was put in place as part of the revised SFA agreement with Hayfin. No further funding from PEP is expected in 2022.

The Group is ordinarily highly cash generative but due to Covid-19 related restrictions for most of 2020 and 2021, generation of cash was significantly reduced. The Group has net current liabilities of £55.7m (2020: £38.8m) and made a loss before tax of £70.1m (2020: £54.4m, restated) due to the impact of the excess of administrative expenses over revenue, and non-cash charges, which in 2021 includes an impairment charge of £21.8m (2020: £Nil) against the Healthcare & Medical, Vet and Technology goodwill. This arose from revised growth forecasts, post-Covid, and updated discount rates. Other non-cash charges include amortisation of goodwill and intangible assets

The Group has prepared for 2022 with a budget that shows good like-for-like revenue growth versus the 2019 pre-Covid-19 pandemic period. In addition, management has also prepared a sensitised downside scenario. Management believe that all events will run in 2022 in some form due to the easing of Covid-19 restrictions, however management can plausibly envisage a scenario where revenues are lower than current expectations due to the timing of returning to full confidence for all regions. As such the downside scenario reflects a significant reduction in revenue across some of the H1 smaller events and also a general reduction across H2 events where bookings are still to be secured. In reality, H2 bookings are ahead of expectations (and ahead of previous cycles on a like for like basis) and therefore whilst it is plausible that sales may reduce, management do not believe a materially significant reduction is likely. Some direct cost savings have been assumed against the reduced revenue, however an allowance for sunk costs and continued investment has been maintained given that, in reality, management would not wish to cut costs to the detriment of any future event. Management are confident that continued careful cash management under the budgeted scenario will require no further funding from PEP. This is the same case under the downside scenario as management have again assumed that they can work with suppliers to support a level of cash management and maintain minimal liquidity levels as required under the current SFA. If, however, this were not possible there remains an available £8.5m in funding under the ECL commitment that has been received from PEP. Management therefore do not believe there is likely to be a liquidity shortfall in 2022.

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

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

A Bridge Liquidity arrangement was executed on 2 July 2020 through a PEP Equity Commitment Letter (with an availability of funds of no less than £32m) for general corporate and working capital purposes of the Group to ensure it maintains a minimum liquidity of £5m within the Group at each month end. The Bridge Liquidity arrangement remains in place for an open ended period, to ensure there will be no liquidity issues for the foreseeable future, until such point that the Group can maintain liquidity to £5m and achieve covenants with a leverage of 5x using EBITDA as calculated under normal accounting rules. The Bridge Liquidity arrangement is also guaranteed by Citibank Europe PLC. As at 31 December 2021 the Group had drawn £23.5m. There remains a further £8.5m available to draw under the guaranteed facility.

CSM Finance Limited

Notes to Consolidated Financial Statements
For the year to 31 December 2021

2. ACCOUNTING POLICIES (continued)

Going concern (continued)

Following a rewarding and hugely successful suite of events towards the end of 2021, in particular in the UK and Spain, management are further confident in knowing that the Group's customers, exhibitors and delegates continue to demand as strongly as ever the type of face to face events that the Group operates. Management took the view that Quarter 1 of 2022 may be difficult, in particular January and February, with the increase in Omicron cases in December. Early 2022 events were therefore rescheduled to Quarter 2 including the highly successful Learning Technologies event which now has a date line of May 2022 (previously February). Frankfurt Tech also has a new date line of May following the need to postpone the December 2021 event. All CloserStill geographies are now opening up for face to face business and whilst there is still a concern over the volume of attendees, versus previous cycles in some geographies, management are confident in attracting the core C-suite Board and Senior level attendees that the exhibitors long to interact with, improving the quality of the events and subsequently driving growth in forward bookings.

Three significant CloserStill events have taken place in March 2022, operating in each of the UK, France and Spain, and all have delivered results in-line or in excess of budgets set. The UK Tech event ran at Excel 2-3 March. Investment was made in keynote speakers, with Sir Tim Berners-Lee opening the event. The event over achieved on audience delivery, achieving the total target numbers for two days of the show on day 1. Pharmagora ran on 12-13th March in Paris and was another success with close to a 20% increase in revenue versus the 2019 event and a 16% increase in number of exhibitors. Finally, the Infarma event ran on 22-24th March in Madrid. This was the first event ran under the CloserStill ownership post the acquisition in 2019. The event was well received by exhibitors and attendees with attendance being in line with previous editions.

CloserStill prides itself in being the best at what it does and this is demonstrated in its record of winning industry awards, of which four new awards were presented to CloserStill in March 2022 at the Exhibition News Awards evening. Awards were won in the categories of Best Event Director, Best Trade Show, Best Operations Team and Best Brand Expansion. This demonstrates our commitment to our products, new launches and importantly our staff.

All the events we have run since September 2021 and through to 2022 have exceeded our initial expectations and as such reinforces our view as to the undimmed demand for, and sustainability of, leading face to face events of the type that CloserStill operates. The Group went into the new year with an order book for 2022 that was c16% in excess of the like for like point in the pre-Covid 2019/2020 cycle. This is due not only to the strength of postponed events where customers have maintained their booking through to the postponed future event, but also due to very strong on-site rebooking for 2022 events after running successful 2021 editions for which we have seen in total forward bookings that have been ahead of previous cycles by c10%.

We believe that the Group runs the #1 events in our markets with predominantly domestic audiences and so are less impacted by travel restrictions and therefore management fully expect all events to run in 2022 in the belief that the geographies continue to remain open. Management have set 2022 budgets with strong top-line growth relative to the Covid disruption the Group has faced, whilst continuing to ensure we invest sufficiently in our post-Covid event delivery to best secure strong stakeholder satisfaction as well as invest in our content and audience delivery capabilities to ensure short and medium term organic growth. In addition, the Group continues to invest in structural improvements to our infrastructure in order to create better capability and capacity to execute upon our future in-organic and launch growth agenda.

The Group enters 2022 with the vast majority of its individual event clusters expecting to grow in size vs. pre-Covid position which management considers hugely encouraging. This growth expectation is supported by the feedback on Q4 2021 and Q1 2022 events, the growth in order book vs previous cycles and the recent sales trends in which we have seen several record sales weeks for the Group being recorded.

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.

CSM Finance Limited

Notes to Consolidated Financial Statements For the year to 31 December 2021

2. ACCOUNTING POLICIES (*continued*)

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.

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

Exceptional items

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

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

CSM Finance Limited

Notes to Consolidated Financial Statements

For the year to 31 December 2021

3. ACCOUNTING POLICIES (continued)

Business combinations and goodwill (continued)

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.

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

CSM Finance Limited

Notes to Consolidated Financial Statements

For the year to 31 December 2021

2. ACCOUNTING POLICIES (continued)

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

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.

CSM Finance Limited

Notes to Consolidated Financial Statements

For the year to 31 December 2021

2. ACCOUNTING POLICIES (continued)

Taxation (continued)

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.

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.

CSM Finance Limited

Notes to Consolidated Financial Statements
For the year to 31 December 2021

2. ACCOUNTING POLICIES (continued)

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.

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.

CSM Finance Limited

Notes to Consolidated Financial Statements

For the year to 31 December 2021

2. ACCOUNTING POLICIES (continued)

Financial instruments (continued)

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 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.

CSM Finance Limited

Notes to Consolidated Financial Statements

For the year to 31 December 2021

2. ACCOUNTING POLICIES (continued)

Provisions

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

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

Share capital

Ordinary 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 22, note 17)
The fair value of intangible assets acquired (£12,460,000 in the year ended 31 December 2021) 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 (£11,131,000 at 31 December 2021 (2020: £4,276,000)) 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 11) (2021: £281,488,000 at 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 selection of an appropriate discount rate in order to calculate the net present value of those cash flows.
- c) Provision for deferred tax (note 19) (Total asset of £4,642,000 and Liability of £45,417,000 at 31 December 2021)
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.

CSM Finance Limited

Notes to Consolidated Financial Statements
For the year to 31 December 2021

2. ACCOUNTING POLICIES (continued)

Critical accounting judgements and estimation uncertainty (continued)

- d) Share based payments (note 6) (charge of £988,000 in the year ended 31 December 2021)
The fair value of shares granted to employees involves the use of valuation techniques to estimate the share value at the time of grant. The fair value of the shares issued during the year is determined by third party experts using a Black Scholes model at the date of grant. In addition, the estimation of attrition rates of employees and the expected period of ownership is also required in calculating the charge for each accounting period. This estimate of the attrition rate of employees is reviewed annually using experience of actual attrition rates since the share grants.

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.

Judgements

- e) Going concern
The directors' assessment of Group's ability to continue as a going concern involved the estimation of future sales, expenses, taxation and cash flows in order to meet its obligations as they fall due. Further detail is provided above in this note.
- f) Non-consolidation of Employee Benefit Trust
An Employee Benefit Trust (EBT) exists to repurchase the shares of employees within the share based payment scheme who have then left the Group. The directors of CSM Finance 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.
- g) 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.
- 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.

CSM Finance Limited
Notes to Consolidated Financial Statements
For the year to 31 December 2021

2. ACCOUNTING POLICIES (continued)

Prior year adjustments

- i) The fair value of the put/call options entered into on certain acquisitions in prior years has not been recognised and, as a result of this, the estimated liabilities for the purchase under those arrangements of the share of the subsidiaries not already owned by the Group was understated in the financial statements. This has been corrected as a prior year adjustment. The impact on equity as at 31 December 2019 and 31 December 2020 is a reduction of £6,578,000 and £4,276,000 respectively. There is no impact on the reported profit in prior periods, since changes in the estimated fair value of the liability are recorded through equity under the Group's accounting policy election made for these liabilities.
- ii) The acquisition accounting adopted in 2019 for the acquisition of CloserStill Media Holdings Limited incorrectly excluded the deferred tax liability to be recognised on customer related intangible assets – customer relationships. In addition, the impact of changes in tax rates has not been reflected in deferred tax liability balances. Consequently, both goodwill and deferred tax liabilities were understated at 31 December 2019 by £3,687,000 and £3,712,000 respectively and the impact on equity at 31 December 2019 was a £25,000 reduction. At 31 December 2020, goodwill and deferred tax liabilities were understated by £3,278,000 and £6,583,000 respectively. The impact on equity at that date is £3,305,000. The impact to the Income Statement for the year ended 31 December 2020 is £3,280,000.

Consolidated Balance Sheet as at 31 December 2019

	As previously stated £'000	Prior year adjustments £'000	Restated £'000
Goodwill (ii)	141,953	3,687	145,640
Creditors: Amounts due within one year (i)	(48,853)	-	(48,853)
Creditors: Amounts due in more than one year (i)	(111,233)	(6,578)	(117,811)
Provisions for liabilities (ii)	(29,252)	(3,712)	(32,964)
Net assets	171,768	(6,603)	165,165
Accumulated losses	(23,862)	(6,603)	(30,465)

Consolidated Income Statement for the year to 31 December 2020

	As previously stated £'000	Prior year adjustments £'000	Restated £'000
Administrative expenses – goodwill amortisation (ii)	(60,187)	(410)	(60,597)
Tax on loss (ii)	2,590	(2,870)	(280)
Loss for the financial year	(51,359)	(3,280)	(54,639)

CSM Finance Limited
Notes to Consolidated Financial Statements
For the year to 31 December 2021

2. ACCOUNTING POLICIES (continued)

Prior year adjustments (continued)

Consolidated Balance Sheet as at 31 December 2020

	As previously stated £'000	Prior year adjustments £'000	Restated £'000
Goodwill (i)	131,362	3,278	134,640
Creditors: Amounts due within one year (ii)	(71,067)	(1,664)	(72,731)
Creditors: Amounts due in more than one year (ii)	(129,727)	(2,612)	(132,339)
Provisions for liabilities (i)	(29,515)	(6,583)	(36,098)
Net assets	121,536	(7,581)	113,955
Accumulated losses	(73,589)	(7,581)	(81,170)

Further detail as to changes in creditors balances is given in notes 16 and 17.

Consolidated Statement of Cash Flows for the year ended 31 December 2020

Impact of prior year adjustments

Items i) and ii) above are non-cash matters and there is no impact on net cash used in operating or investing activities, nor on net cash generated from financing activities. The net decrease in cash and cash equivalents for the year is unchanged. Consequential changes to the loss for the financial year, the amortisation charge and the tax charge, each as restated above, and as disclosed in the Consolidated Statement of Cash Flows have been made.

Re-presentation of Consolidated Statement of Cash Flows

The statement for the year ended 31 December 2020 has been re-presented so as to match the format used in the current year on a consistent basis and in accordance with the presentation requirements of FRS 102. Cash and cash equivalents, for the purposes of the cash flow statement include bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

CSM Finance Limited
Notes to Consolidated Financial Statements
For the year to 31 December 2021

3. REVENUE

The Group's turnover and loss before taxation for the year to 31 December 2021 were all derived from its principal activity. Sales were derived from events held in geographical locations, as follows:

	2021	2020
	Group	Group
	£'000	£'000
United Kingdom	22,178	13,838
USA	4,697	1,300
France	78	1,544
Germany	1,899	1,119
Singapore	415	67
Hong Kong	3	391
Spain	2,082	506
Total	31,352	18,765

Analysis of turnover by category was as follows.

	2021	2020
	Group	Group
	£'000	£'000
Space and shell revenue	14,148	10,288
Sponsors revenue	11,275	3,317
Other revenue	863	2,863
Conference fees	3,580	652
Contra revenue	748	676
Catalogue and show guide	167	368
Insurance and inspection	571	601
Total	31,352	18,765

4. OPERATING LOSS

The operating loss from continuing operations is stated after charging/(crediting):

	2021	2020
		(restated)
	£'000	£'000
Amortisation of Goodwill and negative goodwill (note 11)	16,885	17,024
Amortisation of intangible assets (note 11)	16,438	15,222
Impairment of goodwill (note 11)	21,846	-
Depreciation of tangible fixed assets (note 12)	679	751
Auditors' remuneration - taxation advisory services	239	111
Auditors' remuneration - statutory audit	281	482
Operating lease expense	1,393	1,397
Impairment of trade receivables	(575)	946
Share based payments	988	945
Foreign exchange (gains)/losses on bank loans	(1,368)	707
Other net foreign exchange losses/(gains)	1,384	(285)

CSM Finance Limited

Notes to Consolidated Financial Statements
For the year to 31 December 2021

5. EXCEPTIONAL ITEMS

	2021 Group £'000	2021 Company £'000	2020 Group £'000	2020 Company £'000
COVID 19 related costs	721	-	1,542	-
Hong Kong closure (credit)/cost	(7)	-	100	-
Messe restructure (credit)/cost	(195)	-	1,067	-
Impairment of goodwill	21,846	-	-	-
Covid 19 sunk costs	772	-	2,501	-
Total	23,137	-	5,210	-

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

Impairment of goodwill is 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 11. The charge is recognised within administrative expenses

6. STAFF COSTS

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

	2021 No.	2020 No.
Administration	269	297
Management	8	8
	277	305

	2021 £'000	2020 £'000
Employee costs during the year:		
Wages and salaries	14,843	12,570
Social security costs	1,890	1,754
Other pension costs	461	440
Share based payment	988	945
	18,182	15,709

Directors' remuneration:	2021 £'000	2020 £'000
The Directors' remuneration for the year was as follows:		
Aggregate remuneration	552	535
Highest paid director:		
Aggregate remuneration	292	287

CSM Finance Limited

Notes to Consolidated Financial Statements For the year to 31 December 2021

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 2021 was £25,000 (2020: £nil).

Post-employment benefits are accruing for one (2020: one) director under a defined contribution scheme. Two (2020: two) directors 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 £461,000 (2020: £440,000). The amount of pension contributions due but not paid over to the pension scheme at the year end was £41,275 (2020: £36,530). Contributions made in respect of the highest paid director to money purchase schemes were £2,198 (2020: £2,127).

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 £1,050,652 (2020: £945,178).

	2021 No. of shares	2020 No. of shares
Outstanding as at 1 January	227,656	225,922
Granted	25,000	9,798
Forfeited	(9,282)	(8,064)
Outstanding at 31 December	243,374	227,656

Measurement of fair value

The fair value of the shares issued during the year is determined by third party experts using a Black Scholes model at the date of grant as this is considered the most representative method of estimating the valuation of the equity instruments granted

Company

The company had no employees during 2021 or 2020. Thus there is no charge in the income statement for employee costs or share-based payments.

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Notes to Consolidated Financial Statements
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7. REMUNERATION OF KEY MANAGEMENT PERSONNEL

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

8. INTEREST RECEIVABLE AND SIMILAR INCOME

	2021 Group £'000	2020 Group £'000
Bank interest	-	6
	-	6

9. INTEREST PAYABLE AND SIMILAR EXPENSES

	2021 Group £'000	2020 Group £'000
Interest on bank loan and similar expenses	7,692	7,545
Other interest payable	-	287
Monitoring fees	-	25
Commitment fees	340	178
Amortisation of borrowing arrangement fees	651	653
	8,683	8,688

10. TAX ON LOSS

	2021 Group £'000	2020 Group (restated) £'000
a) Tax in the year		
<i>Current income tax</i>		
Current tax on losses for the year	587	(461)
Adjustment in respect of prior years	24	-
Total current income tax charge/(credit)	611	(461)
<i>Deferred tax</i>		
Reversal of timing differences (see note 19)	(2,561)	(2,791)
Impact of change in tax rate	8,052	3,532
Recognition of tax losses	(4,642)	-
Adjustment in respect of prior years	(30)	-
Total deferred tax charge	819	741
Tax charge in the Consolidated Income Statement	1,430	280

CSM Finance Limited
Notes to Consolidated Financial Statements
For the year to 31 December 2021

10. TAX ON LOSS (continued)

b) Reconciliation of Income tax charge

	2021	2020
	Group	Group
	£'000	(restated)
	£'000	£'000
Loss before tax	(70,138)	(54,359)
Standard tax rate	19.00%	19.00%
Loss before tax multiplied by standard tax rate	(13,326)	(10,328)
Effects of:		
Expenses not deductible for tax purposes	10,243	6,998
Capital allowances in excess of depreciation	(98)	(41)
Utilisation of losses	(621)	-
Group relief	(7)	119
Adjustment in respect of prior years	(6)	-
Unrecognised losses	2,490	-
Losses recognised	(4,642)	-
Overseas tax rate adjustment	(655)	-
Tax rate adjustment	8,052	3,532
Total tax charge	1,430	280

c) Factors affecting future tax charge

In the Spring Budget 2021, the UK Government announced that from 1 April 2023 the corporation tax rate would increase to 25% (rather than remaining at 19%, as previously enacted) This new law was substantively enacted on 24 May 2021. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements. Changes in overseas tax rates will similarly have an effect on both current and deferred tax

CSM Finance Limited

Notes to Consolidated Financial Statements
For the year to 31 December 2021

11. INTANGIBLE ASSETS

Group	Goodwill £'000	Marketing related intangible assets £'000	Customer related intangible assets - Customer relationships £'000	Customer related intangible assets - Order backlogs £'000
Cost:				
1 January 2021 (restated)	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 (restated)	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 (restated)	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 (restated)	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

CSM Finance Limited
Notes to Consolidated Financial Statements
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11. INTANGIBLE ASSETS (continued)

Group	Goodwill (restated) £'000	Marketing related intangible assets £'000	Customer related intangible assets - Customer relationships £'000	Customer related intangible assets - Order backlogs £'000
Cost:				
1 January 2020	162,217	178,270	24,186	1,590
On acquisition (note 22)	5,523	9,446	-	-
Additions	293	-	-	-
Transfers	-	-	-	-
Disposals	-	-	-	-
Foreign exchange	207	19	-	-
31 December 2020	168,240	187,735	24,186	1,590
Accumulated Amortisation and Impairment:				
1 January 2020	16,576	11,707	2,505	1,590
Charge for the year	17,024	12,291	2,419	-
Disposals	-	-	-	-
Impairment (note 5)	-	-	-	-
Foreign exchange	-	-	-	-
31 December 2020	33,600	23,998	4,924	1,590
Net book value 31 December 2020	134,640	163,737	19,262	-

Group	Website £'000	Licences and other intangibles £'000	Assets under construction £'000	Total (restated) £'000
Cost:				
1 January 2020	678	1,766	322	369,029
On acquisition (note 22)	-	66	-	15,035
Additions	352	387	126	1,158
Transfers	-	322	(322)	-
Disposals	(39)	-	-	(39)
Foreign exchange	(9)	(12)	-	205
31 December 2020	982	2,529	126	385,388
Accumulated Amortisation and Impairment:				
1 January 2020	351	365	-	33,094
Charge for the year	210	302	-	32,246
Disposals	(14)	(61)	-	(75)
Impairment (note 5)	-	-	-	-
Foreign exchange	(5)	(4)	-	(9)
31 December 2020	542	602	-	65,256
Net book value 31 December 2020	440	1,927	126	320,132

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Notes to Consolidated Financial Statements
For the year to 31 December 2021

11. 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:

	2021 Group	2020 Group
Expected revenue growth over forecast period (CAGR)	9.5%	9.8%
Period of management approved forecasts	5 years	6 years
Growth rate beyond approved forecast period	2%	2%
Discount rate (pre-tax)	14.7%	11%

The key assumptions in the value in use calculation are the forecast cashflows, long term growth rate and the discount rate. An impairment charge of £21,846,000 (2020: £nil) has been recognised against the Healthcare & Medical, Vet and Technology CGUs, reflecting revised growth forecasts post-Covid. If actual cash flows are not in line with forecasts, an additional impairment charge of £13,944,000 against the goodwill in the CGU's identified as impaired may result. 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 additional impairment of £9,530,000 against those same goodwill balances. Similarly, an increase in the pre-tax discount rate to 15.5% would result in additional impairment of £12,122,000. After recognition of the impairment in the year, the remaining goodwill in the affected CGUs is £68,790,000.

12. TANGIBLE ASSETS

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. TANGIBLE ASSETS (continued)

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

13. INVESTMENTS IN SUBSIDIARIES

Company	Shares in Group undertakings	
Cost and Net Book Value	2021 £'000	2020 £'000
At 1 January	192,235	192,235
At 31 December	192,235	192,235

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

The consolidated financial statements include the results of all subsidiaries as listed below. Certain subsidiaries have taken the exemption from an audit for the year ended 31 December 2021 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. CSM Finance 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 2021 by virtue of s479A Companies Act 2006 are noted in the table below.

Company	Effective share holding	Registered	Principal activity
^{**} CloserStill Exhibitions Limited	100%	England [†]	Intermediary holding
^{**} CloserStill Media Holdings Limited	100%	England [†]	Intermediary holding company
^{**} CloserStill Finance Limited	100%	England [†]	Intermediary holding company
^{**} CloserStill Acquisitions Limited	100%	England [†]	Intermediary holding
^{**} CloserStill Cloud Expo Europe	100%	England [†]	Organisation of exhibitions
^{**} CloserStill Smart IOT Limited	100%	England [†]	Organisation of exhibitions
^{**} CloserStill Cloud Security Expo	100%	England [†]	Organisation of exhibitions
^{**} German Vet Limited	100%	England [†]	Organisation of exhibitions
^{**} CloserStill E-Commerce Limited	90%	England [†]	Organisation of exhibitions

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Notes to Consolidated Financial Statements
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13. INVESTMENTS IN SUBSIDIARIES (continued)

*CloserStill Learning GmbH	100%	Germany ²	Intermediary holding
*OEB Learning Technologies Europe	100%	Germany ²	Organisation of exhibitions
*^CloserStill Media 1 Limited	100%	England ¹	Intermediary holding
*^CloserStill Media 2 Limited	100%	England ¹	Intermediary holding
*^CloserStill Media 3 Limited	100%	England ¹	Intermediary holding
*^France Vet Limited	100%	England ¹	Organisation of exhibitions
*^CloserStill Media Limited	100%	England ¹	Organisation of exhibitions
*CloserStill LearnTech Asia Pte.	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	100%	England ¹	Organisation of exhibitions
*^Pharmagora Limited	100%	England ¹	Organisation of exhibitions
*CloserStill Media Hong Kong Limited	100%	Hong	Organisation of exhibitions
*^CloserStill Big Data Limited	100%	England ¹	Organisation of exhibitions
*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	Organisation of exhibitions
*Big Data World Europe GmbH	50.01%	Germany ²	Organisation of exhibitions
*^CloserStill France Limited	100%	England ¹	Intermediary holding
*CloserStill MVM LLC	80%	USA ⁷	Intermediary holding
*Modern Veterinary Media Inc	80%	USA ¹⁰	Organisation of exhibitions
*Wild West Veterinary Conference	80%	USA ¹⁰	Organisation of exhibitions
*Chicagoland Veterinary Conference	80%	USA ¹⁰	Organisation of exhibitions
*CloserStill Learning Technologies	100%	USA ⁷	Intermediary holding company
*CSM Learning LLC	100%	USA ⁸	Organisation of exhibitions
*FocusZone Media Inc	80%	USA ⁹	Organisation of exhibitions
*^CloserStill Exhibitions Limited	100%	England ¹	Intermediary holding company
*^CloserStill Media Holdings Limited	100%	England ¹	Intermediary holding company
*^Healthcare Publishing & Events	100%	England ¹	Organisation of exhibitions
*Interalia, Ferias Profesionales y	80%	Spain ¹¹	Organisation of exhibitions
*CloserStill Tecnologia 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.

¹Subsidiaries taking an audit exemption under s479A-C of the Companies Act 2006

² Registered Address: Exhibition House, Addison Bridge Place, London, W14 8XP

³ Registered Address: Leibnizstrasse 32, 10625 Berlin

⁴ Registered Address: 10-05 Anson House, 72 Anson Road, Singapore 079911

⁵ Registered Address: 6th Floor, Wyndham Place, 40-44 Wyndham Street, Central, Hong Kong

⁶ Registered Address: Suite 1202, 266 West 37th Street, New York, 10018.

⁷ Registered Address: Bureau 122, 16-18 Rue de Londres,

⁸ Registered Address: 1675 S State St Ste B, Dover, Kent, DE, USA, 19901

⁹ Registered Address: 3500 S Dupont Hwy, Dover, Kent, DE, USA, 19901

¹⁰ Registered Address: 120 Stony Point Road, Suite 125, Santa Rosa, CA, USA

¹¹ Registered Address: 10 S Jefferson St, Ste 1400, Roanoke, VA, 24011

¹² Registered Address: Rambla de Catalunya n° 60, 3° 1° 08700 Barcelona.

¹³ Registered Address: Am Friedensplatz 3, 68165, Mannheim

¹⁴ Registered Address: 266 West 37th Street, Suite 1202, New York, NY 10018

¹⁵ Registered Address: 85 Broad Street, 8th Floor, New York, NY 1004

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14. DEBTORS

	Group	Company	Group	Company
	2021	2021	2020	2020
	£'000	£'000	£'000	£'000
Trade debtors	20,913	-	22,309	-
Amounts owed by group undertakings	-	-	629	-
Other debtors	2,023	-	760	-
Prepayments and accrued income	3,960	-	3,756	-
	26,896	-	27,454	-
Amounts due after more than one year	-	-	-	-
Deferred tax	3,314	-	-	-
	30,210	-	27,454	-

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 £923,000 (2020: £1,498,000).

15. CASH AT BANK AND IN HAND

	Group	Company	Group	Company
	2021	2021	2020	2020
	£'000	£'000	£'000	£'000
Cash at bank and in hand	11,705	-	6,486	-

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group	Company	Group (restated*)	Company
	2021	2021	2020	2020
	£'000	£'000	£'000	£'000
Bank loans and overdrafts	4,883	-	4,595	-
Trade creditors	4,465	-	2,788	-
Amounts owed to group undertakings	27,113	-	6,077	-
Other taxation and social security	961	-	1,479	-
Other creditors	5,561	-	4,570	-
Corporation tax	1,512	-	1,415	-
Put/call instrument redemption liability	1,804	-	1,664	-
Accruals and deferred income	51,272	-	50,143	-
	97,571	-	72,731	-

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

*restated for the inclusion of £1,664,000 Put/call instrument redemption liability at 31 December 2020. See note 2

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

	Group	Company	Group (restated*)	Company
	2021	2021	2020	2020
	£'000	£'000	£'000	£'000
Bank loans	133,088	-	129,727	-
Put/call instrument redemption liability	9,327	-	2,612	-
	142,415	-	132,339	-

*restated for the inclusion of £2,612,000 Put/call instrument redemption liability at 31 December 2020. See note 2.

Included in borrowings is a bank loan of £110m which is subject to interest at the rate of SONIA plus 6.36%. The Group also has a £35m acquisition/capex facility of which £25.7m (2020: £17.1m) 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 £4,883,000 (2020: £4,595,000) and are included within Creditors: Amounts falling due within one year. Bank loans are shown net of arrangement fees of £2,585,000 (2020: £3,236,000).

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

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18. FINANCIAL INSTRUMENTS

The carrying amount of the financial instruments were

	Group	Group
	2021	2020
	£'000	£'000
Financial assets that are debt instruments measured at amortised costs:		
Trade debtors (note 14)	20,913	22,309
Cash at bank and in hand	11,705	6,466
	32,618	28,775
Financial liabilities measured at amortised cost:		
Trade creditors (note 16)	4,465	2,788
Bank loans and overdrafts (note 16 & 17)	137,971	134,322
	142,436	137,110
Financial liabilities measured at fair value:		
Put/call instrument redemption liability	11,131	4,276
	11,131	4,276

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 13.5%. The difference between the carrying amount and the amount contractually required to be paid at maturity is £4,430,000 (2020: £1,347,000).

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.

19. PROVISIONS FOR LIABILITIES

Deferred tax

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

Group 2021	Intangible assets	Accelerated capital allowances	Losses	Total
	£'000	£'000	£'000	£'000
1 January (restated)	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 years	(30)	-	-	(30)
Change in tax rate	8,052	-	-	8,052
Foreign Exchange	157	-	-	157
31 December	45,417	-	(4,642)	40,775

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19. PROVISIONS FOR LIABILITIES (continued)

Deferred tax assets 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, the asset of £3,314,000 (2020: £Nil) is presented within Debtors: Amounts due in more than one year.

Group 2020	Intangible assets (restated) £'000	Accelerated capital allowances £'000	Losses £'000	Total £'000
1 January	32,944	20	-	32,964
On acquisition	2,410	-	-	2,410
Credit in year	(2,898)	(30)	-	(2,928)
Adjustments in respect of prior years	-	119	-	119
Change in tax rate	3,533	-	-	3,533
Foreign Exchange	-	-	-	-
31 December	35,989	109	-	36,098

20. CALLED UP SHARE CAPITAL

Group and company

Called Up Share Capital	2021 No:	2021 £	2020 No:	2020 £
Amounts presented in equity:				
Ordinary Shares of £0.01	192,235,630	1,922,356	192,235,630	1,922,356

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

Share rights

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

Dividends - Each share ranks equally for any dividend declared.

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

21. RESERVES

Share premium account - The reserve records the amount above the nominal value received for shares sold, less transaction costs. The total share premium account amounted to £190,313,000 (2020: £190,313,000).

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

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

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22. 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	285
	7,713
Less: cash and cash equivalents acquired	(1,401)
Net cash outflow	6,312

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22. BUSINESS COMBINATIONS (continued)

Influence Group, LLC

Recognised amounts of identifiable assets acquired and liabilities assumed:

	Book values £'000	Adjustments £'000	Fair value £'000
Intangible assets	-	12,460	12,460
Tangible assets	54	(54)	-
Trade and other receivables	382	(76)	306
Cash and cash equivalents	1,401	-	1,401
Trade and other payables	(741)	(230)	(971)
Deferred tax liabilities	-	(3,701)	(3,701)
Total identifiable net assets	1,096	8,399	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 £7,623,000, being the estimated discounted value, was established and included in Creditors: amounts falling due after more than one year (note 17)

The adjustments relate to the provisional fair values of identified intangible assets acquired, adjustments to trading balances to align to the Group's accounting policies and associated deferred tax liabilities. The intangibles fair value adjustment relates to marketing related intangible assets which can be separately identified on acquisition. The goodwill arising on acquisition is allocated in full to the Alternative Formats CGU.

Year ended 31 December 2020

Spring Messe Management GmbH

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

Consideration at 16 January 2020:	£'000
Cash	10,331
Directly attributable costs	1,147
Total consideration	11,478
For cash flow disclosure purposes the amounts are disclosed as follows:	£'000
Cash consideration	11,478
Less: cash and cash equivalents acquired	(143)
Net cash outflow	11,335

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22. BUSINESS COMBINATIONS (continued)

Recognised amounts of identifiable assets acquired and liabilities assumed:

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

London Dentistry Show

On 21 December 2020, the Group acquired the business and assets on the London Dentistry Show from Finlayson Media Limited for total estimated consideration of £577,000.

Consideration at 21 December 2020:	£'000
Cash	60
Deferred and contingent consideration	451
Directly attributable costs	66
Total consideration	577

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

Recognised amounts of identifiable assets acquired and liabilities assumed:

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

CSM Finance Limited

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22. BUSINESS COMBINATIONS (continued)

Consideration payments on acquisitions

London Dentistry Show

During the year ended 31 December 2021 payments of £180,000 under the pre-set deferred consideration arrangements were made. A further payment of £355,000 in respect of contingent consideration was made in April 2022.

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.

Interalia, Ferias Profesionales y Congresos, S.A.

The purchase agreement dated 18 October 2019 included the deferral of €400,000 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 a payment of €400,000 will be made in the year ended 31 December 2022.

23. COMMITMENTS UNDER OPERATING LEASES

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

	Group	Company	Group	Company
	2021	2021	2020	2020
	£'000	£'000	£'000	£'000
Within one year	1,038	-	808	-
Within one and five years	1,481	-	1,758	-
after five years	268	-	498	-
	2,787	-	3,064	-

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

24. CAPITAL COMMITMENTS

As at 31 December 2021, the Group had capital commitments of £219,000 in respect of office moves and refurbishments (2020: £862,000 in respect of an ERP system).

25. RELATED PARTY TRANSACTIONS

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

	2021	2020
	£'000	£'000
Costs recharged by Group companies	972	3,185
Costs recharged to Group companies	1,925	4,996
Amounts owed by related parties at year end	3,434	30,276
Amounts owed to related parties at year end	8,152	25,797

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

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25. RELATED PARTY TRANSACTIONS *(continued)*

The Company's majority shareholder is Providence Equity Partners (note 26). During the year expenses of £62,234 were paid by the Group to Providence Equity Partners (2020: £Nil). No amounts were outstanding at the year end (2020: £Nil).

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.

26. ULTIMATE CONTROLLING PARTY

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

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

The parent undertaking in the UK is CloserStill Group Limited. The consolidated financial statements of CloserStill Group Limited are the largest group in which the Company was consolidated for the year ended 31 December 2021. Copies of the consolidated financial statements are publicly available from Companies House, Crown Way, Cardiff, CF14 3UZ.

27. EVENTS AFTER THE BALANCE SHEET DATE

There were no events after the balance sheet date.

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28. RECONCILIATION OF MANAGEMENT EBITDA

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

	2021	2020
	£'000	(restated) £'000
Continuing operating loss	(61,455)	(45,677)
Amortisation	33,323	32,246
Depreciation	679	751
Exceptional items	23,137	5,210
Management exceptional items	780	1,041
Foreign exchange	16	422
Share based payments	988	945
Management EBITDA*	(2,532)	(5,062)

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.*