

COMPANY REGISTRATION NUMBER: 11449349

**DE France Limited**  
**Unaudited Annual Report and Financial Statements**  
**For the year ended 31 December 2021**

WEDNESDAY



\*ABDI6DV6\*

A12

28/09/2022

#231

COMPANIES HOUSE

**DE France Limited**  
**Annual Report and Financial Statements**  
**Year ended 31 December 2021**

<b>Contents</b>	<b>Page</b>
Officers and Professional Advisers	1
Strategic Report	2
Directors' Report	7
Statement of Comprehensive Income	10
Statement of Financial Position	11
Statement of Changes in Equity	12
Notes to the Financial Statements	13

# **DE France Limited**

## **Officers and Professional Advisers**

### **The board of directors**

S J King  
P J Nelson  
P W Soar

### **Company secretary**

S J King

### **Registered office**

Exhibition House  
Addison Bridge Place  
London  
W14 8XP

# DE France Limited

## Strategic Report

### Year ended 31 December 2021

The directors submit their strategic report for DE France Limited for the year ended 31 December 2021.

#### Principal activities

The principal activity of the Company during the year was the ownership and running of business to business trade shows.

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

	2021 £	2020 £
Revenue	–	(5,122)
Gross (loss)/profit	(13,702)	784
Loss before taxation	(32,882)	(241,062)

The Company is part of the CloserStill Group and operates in its Healthcare & Medical business sector

Due to the ongoing impact of the Covid-19 restrictions it was once again not possible to run in-person events in 2021. As a result, no revenue was recognised and a gross loss was recorded. A loss before tax was also recorded since a decision was made to preserve the cost base in anticipation of future shows in 2022.

The wider CloserStill 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 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.

#### Outlook

As regards the wider Group, 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 No.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.

# **DE France Limited**

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

### **Year ended 31 December 2021**

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 loss for the year and total comprehensive expense was £32,882 (2020: £241,062). The directors do not recommend a dividend and none was paid during the year (2020: £Nil).

#### **Financial risks**

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

#### **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.

#### *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

# **DE France Limited**

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

**Year ended 31 December 2021**

### **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.

### **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.

# DE France Limited

## Strategic Report *(continued)*

Year ended 31 December 2021

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

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.

#### *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 Group 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.

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.

#### *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. Higher level of reporting during Covid-19 outbreak is in place as detailed in the going concern section of the Directors' report (page 7-9)

# DE France Limited

## Strategic Report *(continued)*

Year ended 31 December 2021

### *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.

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

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

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

This report was approved by the board of directors on 26 September 2022 and signed on behalf of the board by:



S J King  
Director

Registered office:  
Exhibition House  
Addison Bridge Place  
London  
W14 8XP



# **DE France Limited**

## **Directors' Report**

### **Year ended 31 December 2021**

The directors present their report and the unaudited Financial Statements of the company for the year ended 31 December 2021.

#### **Principal activities**

The principal activity of the company during the period was the ownership and running of business to business trade shows.

#### **Directors**

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

S J King  
P J Nelson  
P W Soar

#### **Dividends**

The directors do not recommend a dividend and none was paid during the year (2020 - £Nil).

#### **Future developments**

The Company'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.

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

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

#### **Going concern**

At 31 December 2021, the Company had net current liabilities of £556,299 (2020: £523,417), net liabilities of £556,299 (2020: £523,417) and made a loss before tax of £32,882 (2020: £241,062). The Company is reliant on its fellow subsidiaries to generate cash flows to service its costs incurred. The Directors consider the Company to be a going concern on the basis that the results since 31 December 2021 and forecasts prepared indicate that the Company, with the support provided by the Group, is able to meet its liabilities as they fall due.

The Directors monitor profitability and cash generation on a CloserStill Group wide basis

# DE France Limited

## Directors' Report *(continued)*

### Year ended 31 December 2021

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 and £7m (2020: £7.2m) of management loan notes. 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 Providence Equity Partners (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 Senior Facilities 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 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

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

# DE France Limited

## Directors' Report *(continued)*

**Year ended 31 December 2021**

### **Statement of directors' responsibilities**

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

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

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

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

This report was approved by the board of directors on 26 September 2022 and signed on behalf of the board by:



S J King  
Director

Registered office:  
Exhibition House  
Addison Bridge Place  
London  
W14 8XP

**DE France Limited**  
**Statement of Comprehensive Income**  
**Year ended 31 December 2021**

	Note	2021 £	2020 £
Revenue	4	—	(5,122)
Cost of sales		(13,702)	5,906
<b>Gross (loss)/profit</b>		<b>(13,702)</b>	<b>784</b>
Administrative expenses		(19,180)	(241,846)
<b>Operating loss</b>	5	<b>(32,882)</b>	<b>(241,062)</b>
<b>Operating loss before exceptional costs</b>		<b>(32,882)</b>	<b>(170,862)</b>
Exceptional costs	7	—	(70,200)
<b>Loss before taxation</b>		<b>(32,882)</b>	<b>(241,062)</b>
Tax on loss	8	—	—
<b>Loss for the financial year and total comprehensive expense</b>		<b>(32,882)</b>	<b>(241,062)</b>

All the activities of the company are from continuing operations.

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

The notes on pages 13 to 20 form part of these Annual Report and Financial Statements.

**DE France Limited**  
**Statement of Financial Position**  
**31 December 2021**

	Note	2021 £	2020 £
<b>Current assets</b>			
Debtors	9	30,976	424,925
<b>Creditors: amounts falling due within one year</b>	10	(587,275)	(948,342)
<b>Net current liabilities</b>		<u>(556,299)</u>	<u>(523,417)</u>
<b>Total assets less current liabilities</b>		<u>(556,299)</u>	<u>(523,417)</u>
<b>Net liabilities</b>		<u>(556,299)</u>	<u>(523,417)</u>
<b>Capital and reserves</b>			
Called up share capital	11	200	200
Profit and loss account	12	(556,499)	(523,617)
<b>Total shareholders' deficit</b>		<u>(556,299)</u>	<u>(523,417)</u>

For the year ending 31 December 2021 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

Directors' responsibilities:

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

These Financial Statements on pages 10 to 20 were approved by the board of directors on 26 September 2022, and are signed on its behalf by:



S J King  
Director

Company registration number: 11449349

The notes on pages 13 to 20 form part of these Annual Report and Financial Statements.

**DE France Limited**  
**Statement of Changes in Equity**  
**Year ended 31 December 2021**

	Called up share capital £	Profit and loss account £	Total £
<b>At 1 January 2020</b>	200	(282,555)	(282,355)
Loss for the year	—	(241,062)	(241,062)
<b>Total comprehensive expense for the year</b>	—	(241,062)	(241,062)
<b>At 31 December 2020</b>	200	(523,617)	<b>(523,417)</b>
Loss for the year	—	(32,882)	<b>(32,882)</b>
<b>Total comprehensive expense for the year</b>	—	(32,882)	<b>(32,882)</b>
<b>At 31 December 2021</b>	200	(556,499)	<b>(556,299)</b>

The notes on pages 13 to 20 form part of these Annual Report and Financial Statements.

# **DE France Limited**

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

**Year ended 31 December 2021**

### **1. General information**

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

The Company's principal activities and the nature of its operations are disclosed in the Directors' Report.

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

These Financial Statements have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland' ('FRS 102') and the Companies Act 2006.

### **3. Accounting policies**

#### **Basis of preparation**

The principal accounting policies applied in the preparation of these financial statements are set out below.

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

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

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the group and company accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed on page 18.

#### **Going concern**

At 31 December 2021, the Company had net current liabilities of £556,299 (2020: £523,417), net liabilities of £556,299 (2020: £523,417) and made a loss before tax of £32,882 (2020: £241,062). The Company is reliant on its fellow subsidiaries to generate cash flows to service its costs incurred. The Directors consider the Company to be a going concern on the basis that the results since 31 December 2021 and forecasts prepared indicate that the Company, with the support provided by the Group, is able to meet its liabilities as they fall due.

The Directors monitor profitability and cash generation on a CloserStill Group wide basis.

# DE France Limited

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

### Year ended 31 December 2021

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

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 and £7m (2020: £7.2m) of management loan notes. 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 Providence Equity Partners (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 Senior Facilities 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 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.



# DE France Limited

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

### Year ended 31 December 2021

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

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

#### Disclosure exemptions

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

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

#### 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.

# DE France Limited

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

### Year ended 31 December 2021

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

##### **Taxation**

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting year. Tax is recognised in profit and loss, except to the extent that it relates to items recognised in the other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

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

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

##### **Foreign currencies**

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the Statement of Comprehensive Income.

##### **Intangible assets**

The Company capitalises expenditure to acquire exhibition rights and existing exhibition titles.

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.

##### **Cash & cash equivalents**

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

##### **Financial instruments**

The Company has chosen to adopt the Sections 11 and 12 of FRS 102 in respect of financial instruments.

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

# DE France Limited

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

Year ended 31 December 2021

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

#### Basic financial assets

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

#### Other financial assets

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.

#### 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.

#### Classification of financial liabilities and equity

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

# DE France Limited

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

Year ended 31 December 2021

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

#### Critical accounting judgements and estimation uncertainty

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

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:

#### *Estimates*

##### a) Impairment of intangible assets (note 8)

Annually, the Company considers whether intangible assets are impaired. Where an indication of impairment is identified the estimation of recoverable value requires estimation of the recoverable value of the cash generating units (CGUs) based on their value in use. This requires estimation of the future cash flows from the CGUs and also a selection of appropriate discount rates in order to calculate the net present value of those cash flows.

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*

##### b) Going concern

The directors' assessment of Company's ability to continue as a going concern involved the estimation of future sales, expenses, taxation and cash flows in order to meet its obligations as they fall due. Further detail is provided above in this note.

### 4. Revenue

Revenue arises from:

	2021	2020
	£	£
Space and Shell Revenue	–	(4,933)
Other Revenue	–	(23)
Insurance and Inspection	–	(166)
	–	(5,122)

The whole of the revenue is attributable to the principal activity of the company wholly undertaken in the United Kingdom.

### 5. Operating loss

Operating loss is stated after charging/crediting:

	2021	2020
	£	£
Amortisation of intangible assets	–	13,050
Foreign exchange differences	11,674	(8,834)

# DE France Limited

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

### Year ended 31 December 2021

#### 6. Staff costs

There are no employees. However, there are three (2020: three) directors

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

	2021 No.	2020 No.
Management staff	3	3

Directors' emoluments are borne by CloserStill Acquisitions Limited, a fellow group company, and recharged in part to the Company as part of a management charge. This management charge, which in 2021 amounted to £5,720 (2020: £35,363), also includes a recharge of administrative and operational costs borne by CloserStill Acquisitions Limited on behalf of the Company and it is not possible to identify separately the amount of the directors' emoluments.

Staff Costs are borne by other group companies and recharged in part to the Company. These amounted to £Nil (2020: £89,891).

#### 7. Exceptional costs

	2021 £	2020 £
Sunk costs	–	70,200

During the prior year sunk costs were incurred relating to costs on shows and events which were cancelled due to Covid-19 and which could not be recovered.

#### 8. Tax on loss

##### Reconciliation of tax income

The tax assessed on the loss for the year is higher than (2020: higher than) the standard rate of corporation tax in the UK of 19% (2020: 19%).

	2021 £	2020 £
Loss before taxation	(32,882)	(241,062)
Loss before taxation by rate of tax	(6,248)	(45,918)
Effect of expenses not deductible for tax purposes	403	13,338
Effect of capital allowances and depreciation	1,362	1,707
Utilisation of tax losses	(45,465)	–
Group relief	49,948	30,873
Tax on loss	–	–

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.

# DE France Limited

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

Year ended 31 December 2021

### 9. Debtors

	2021	2020
	£	£
Trade debtors	54	362,650
Amounts owed by group undertakings	28,800	62,074
Other debtors	2,122	201
	<b>30,976</b>	<b>424,925</b>

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

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

	2021	2020
	£	£
Trade creditors	1,613	—
Amounts owed to group undertakings	527,782	436,531
Other creditors	41,218	478,850
Accruals and deferred income	16,662	32,961
	<b>587,275</b>	<b>948,342</b>

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 Company.

### 11. Called up share capital

Issued, called up and fully paid

	2021		2020	
	No.	£	No.	£
Ordinary shares of £1 each	200	200	200	200

### 12. Reserves

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

### 13. Events after the end of the reporting period

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

### 14. Controlling party

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

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