CloserStill Media Limited

Company Registration No. 05816917

COMPANY REGISTRATION NUMBER: 05816917

Closerstill Media Limited

Annual Report and Financial Statements

31 December 2018

Closerstill Media Limited

Annual Report and Financial Statements

Year ended 31 December 2018

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Officers and Professional Advisers

The board of directors	Mr P Soar Ms S King Mr P Nelson Mr M Westcott
Company secretary	Ms S King
Registered office	Suite 17, Exhibition House Addison Bridge Place London England W14 8XP
Independent Auditors	PricewaterhouseCoopers LLP Cornwall Court 19 Cornwall Street, Birmingham, B3 2DT

Closerstill Media Limited

Strategic Report

Year ended 31 December 2018

The directors submit their strategic report for Closerstill Media Limited for the year ended 31 December 2018.

Principal activities and business review

The principal activity of the Company during the year was to organise content-led exhibitions throughout the UK.

Review of business performance & key performance indicators

	2018	2017
	£000	£000
Turnover	**31,273**	29,115
Gross profit	**21,739**	19,261
Profit before tax	**10,925**	9,020

The Company had another very successful year and reported year on year growth in turnover of 7% and maintained a strong operating margin of 35%.

The Company is part of the CloserStill Group and operates in its Vet, Healthcare, Medical, Learning technologies & Tech business sectors and has continued its principal activity into 2019.

At the balance sheet date, the Company had total shareholders' funds of £32,624,000 (2017: £23,983,000).

Change of ownership

The Company was formerly majority owned by the management team with a minority stake being held by funds controlled by Inflexion Private Equity Partners. In Autumn 2018, the decision was made to sell the Company, a process which was completed on 19 December 2018. The Company was acquired by funds controlled by Providence Equity Partners (who now own a controlling 65% stake) and by the Management team who retain the remaining equity. The deal was financed with £166 million of equity funding from Providence, senior bank debt of £110 million provided by Hayfin Limited and through the partial rollover of management proceeds.

Measuring business performance

The Company's business constitutes content-led exhibitions hosted at major exhibition centres in the UK. Show budgets are prepared for each of these events up to one year in advance which help the Company to manage the contribution of each show, largely comprising the excess of stand space & sponsorship revenues over venue costs and selling costs, including salaries.

The Company proactively monitors bookings for these exhibitions to help ensure that budgeted revenues are secured well in advance of the event itself as well as maintaining active cost control over the show contribution.

Results and dividends

The total comprehensive income for the year was £8,393,000 (2017 - £9,629,000). The directors do not recommend a dividend and none was paid during the year (2017 - £Nil).

Principal risks and uncertainties

The main risk to the Company is general economic conditions, however these do not appear to be affecting our forecast performance. The directors continue to strive for innovation in marketing and show features to ensure continued growth in existing shows, as well as actively seeking expansion opportunities via new show acquisitions and launches.

The CloserStill Group structure is flexible to changes in the level of income and activity. The CloserStill Group show events portfolio are spread across industry sectors, and throughout the year which facilitates the maintenance of sufficient cash reserves. That, together with revolving credit facilities from our bankers, enables a quick response to any unforeseen events which may occur without placing undue financial pressure on the Group or Company in the short term.

There continues to be political risks and uncertainty around Brexit. The Group continues to monitor the political landscape; however, the group believes the risk to be low to its operations and position.

Financial risks

The Company's principal financial instruments comprise cash, trade receivables as well as amounts receivable and payable from and to other CloserStill Group companies. The Company has also provided guarantees in respect of the bank loan facility with certain other CloserStill Group companies. Cash generated by the Company is used by other Group companies to service finance costs incurred on external borrowings taken out to finance the leveraged buyout of the CloserStill Group in December 2018.

The financial position of the Company is managed on a group basis by the directors of CloserStill Group Limited (formally CSM Topco Limited). The Group and therefore the Company has sufficient available financing facilities and remains strongly cash generative.

This report was approved by the board of directors on ...22/5/19..... and signed on behalf of the board by:

Ms S King
Director

Registered office:
Suite 17, Exhibition House
Addison Bridge Place
London
England
W14 8XP

Closerstill Media Limited

Directors' Report

Year ended 31 December 2018

The directors present their report and the Annual Report and Financial Statements of the company for the year ended 31 December 2018.

Directors

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

Mr P Soar
Ms S King
Mr P Nelson
Mr M Westcott

Dividends

The directors do not recommend a dividend and none was paid during the year (2017 - £Nil).

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 last financial year and is currently in force. 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.

Disclosure of information in the strategic report

The company has chosen in accordance with section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 to set out in the company's strategic report the information required by schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008. Accordingly, the Strategic Report includes financial risk management and future developments disclosures.

Directors' Responsibilities Statement

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

The company has chosen in accordance with section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 to set out in the company's strategic report the information required by schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008.

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 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 company's auditors are aware of that information.

The auditors are deemed to have been reappointed in accordance with section 487 of the Companies Act 2006.

This report was approved by the board of directors on 22/5/19 and signed on behalf of the board by:

SMKing

Ms S King
Director

Registered office:
Suite 17, Exhibition House
Addison Bridge Place
London
England
W14 8XP

Independent auditors' report to the members of Closerstill Media Limited

Report on the audit of the financial statements

Opinion

In our opinion, Closerstill Media Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Standards (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 Financial Statements (the "Annual Report"), which comprise: the Statement of Financial Position as at 31 December 2018; the Statement of Comprehensive Income and the Statement of Changes in Equity 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 company 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

ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of the following matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and the wider economy.

Independent auditors' report to the members of Closerstill Media Limited(continued)

Reporting on other information

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

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

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

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require 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 2018 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 company and its 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 Directors' Responsibilities Statement set out on page 4, 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 company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Independent auditors' report to the members of Closerstill Media Limited(continued)

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.

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 received 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 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
22 May 2019

Closerstill Media Limited

Statement of Comprehensive Income

Year ended 31 December 2018

	Note	2018 £000	2017 £000
Turnover	4	**31,273**	29,115
Cost of sales		**(9,534)**	(9,854)
Gross profit		**21,739**	19,261
Administrative expenses		**(10,814)**	(10,241)
Operating profit	5	**10,925**	9,020
Profit before taxation		**10,925**	9,020
Tax on profit	7	**(2,532)**	609
Profit for the financial year and total comprehensive income		**8,393**	9,629

All the activities of the company are from continuing operations.

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

The notes on pages 12 to 25 form part of these Annual Report and Financial Statements.

Closerstill Media Limited

Statement of Financial Position

31 December 2018

	Note	2018 £000	2017 £000
Fixed assets			
Intangible assets	8	**4,617**	5,294
Tangible assets	9	**–**	4
		4,617	5,298
Current assets			
Debtors	10	**48,491**	36,673
Cash at bank and in hand		**938**	1,255
		49,429	37,928
Creditors: amounts falling due within one year	11	**(21,105)**	(18,926)
Net current assets		**28,324**	19,002
Total assets less current liabilities		**32,941**	24,300
Provisions for liabilities			
Taxation including deferred taxation	12	**(317)**	(317)
Net assets		**32,624**	23,983
Capital and reserves			
Share capital	14	**–**	–
Profit and loss account	15	**32,624**	23,983
Total shareholders' funds		**32,624**	23,983

These financial statements on pages 9 to 25 were approved by the board of directors on 22/5/19......, and are signed on its behalf by:

SM King

Ms S King
Director

Company registration number: 05816917

The notes on pages 12 to 25 form part of these Annual Report and Financial Statements.

Closerstill Media Limited

Statement of Changes in Equity

	Called up share capital £000	Profit and loss account £000
At 1 January 2017	–	14,257
Profit for the year	–	9,629
Total comprehensive income for the year	–	9,629
Equity-settled share-based payments	–	97
Total investments by and distributions to owners	–	97
At 31 December 2017	–	23,983
Profit for the year	–	8,393
Total comprehensive income for the year	–	8,393
Equity-settled share-based payments	–	248
Total investments by and distributions to owners	–	248
At 31 December 2018	–	32,624

The notes on pages 12 to 25 form part of these Annual Report and Financial Statements.

1. General information

The Company is a private company limited by shares, incorporated in England and Wales, United Kingdom. The address of the registered office is Suite 17, Exhibition House, Addison Bridge Place, London, W14 8XP, England.

The Company's principal activities are disclosed in the Strategic Report.

2. Statement of compliance

These Annual Report and Financial Statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The Company has adopted FRS102 in these financial statements.

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK 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.

The financial statements are prepared in sterling, which is the functional currency of the Company. Monetary amounts in these financial statements are rounded to the nearest £.

Compliance with FRS 102

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

Going concern

The directors consider the Company to be a going concern on the basis that results of the Company since 31 December 2018 and forecasts prepared indicate that the Company is able to operate within its current facilities and with the support provided by the group.

3. Accounting policies *(continued)*

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.

Finance costs

Finance costs of debt are recognised in the Statement of Comprehensive Income over the term of such instruments at a constant rate on the carrying amount.

Financial instruments

The Company has elected to apply the provision of Section 11 'Basic Financial Instruments' in full to all its financial instruments.

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

Cash and cash equivalents

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

Basic financial assets

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

Other financial assets

Other financial assets, including trade investments, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in the Statement of Comprehensive Income, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Trade debtors, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

Classification of financial liabilities and equity

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

Basic financial liabilities

Basic financial liabilities, including trade and other payables, bank loans and loans from fellow group companies 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.

Turnover

Turnover 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. Turnover is shown net of Value Added Tax.

Turnover 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.

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 turnover.

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 the Statement of Comprehensive Income, 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 and past periods. 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 is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that 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 the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

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

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

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

The Company capitalises expenditure to externally acquire exhibition rights and 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.

Capitalised exhibition titles and rights expenditure is initially recognised at cost and subsequently measured at cost less accumulated amortisation and accumulated impairment losses. It is amortised on a straight line basis over its useful life, which is estimated by the directors to be between 3 and 10 years, in accordance with the estimated life of the exhibition to which it relates.

Capitalised exhibition licence expenditure is initially recorded at cost and subsequently measured at cost less accumulated amortisation and accumulated impairment losses. It is amortised on a straight line basis over its useful economic life, which is estimated by the directors to be the shorter of 10 years, or the term of the licence.

3. Accounting policies *(continued)*

The Company capitalises expenditure on websites for its exhibition events, and this is amortised over 3 years.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows:

Goodwill	-	10 years straight line
Exhibition Titles and Rights	-	Between 3 and 10 years straight line
Website	-	3 years straight line
Other intangibles	-	Between 3 and 10 years straight line

If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in the Statement of Comprehensive Income. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset.

Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in the Statement of Comprehensive Income.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Computer equipment	-	3 years straight line

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 Statement of Comprehensive Income.

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

Provisions

Provisions are recognised when the Company 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.

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are capitalised as an intangible fixed asset or a tangible fixed asset.

The best estimate of the expenditure required to settle an obligation for termination benefits is recognised immediately as an expense when the Company 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 the Statement of Comprehensive Income 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.

Share-based payments

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

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

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

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 Statement of Comprehensive Income 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 Statement of Comprehensive Income. The financial effect of awards by the parent company of options over its equity shares 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.

Employee share ownership plans

The Group operates two Employee Share Schemes (ESS):
The shares in the first are held in trust by one of the companies in the Group, and the Company has de facto control of the shares held by the trust and bears their benefits and risks. The Company records assets and liabilities of the trust as its own. 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 accruals basis.

The shares in the second scheme are held by the employees, who pay for them as a benefit in kind. Some of these shares - although not all - are allocated aligned to multiple performance criteria.

Critical accounting judgements and estimation uncertainty

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

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

a) Impairment of intangible assets and goodwill (note 8)
Annually, the Company considers whether intangible assets and/or goodwill 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.

b) Provisions (note 12)
Provision is made for deferred taxation based on the estimated fair value of intangible assets on acquisitions. This requires applying enacted corporation tax rates to the estimation of the future amortisation profile. The provisions and assumptions are reviewed annually to reflect any changes in the current and future amortisation profile and changes in enacted corporation tax rates.

3. Accounting policies *(continued)*

c) Share based payments (note 6)
The fair value of shares granted to employees involves the use of valuation techniques to estimate the share value at the time of grant. 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.

d) Going concern
The directors' assessment of the Company's ability to continue as a going concern involved the estimation of future sales, expenses, taxation and cash flows in order to meet its obligations as they fall due. Both the timing and value of these estimates could have a significant impact on the Company.

Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

4. Turnover

Turnover arises from:

	2018	2017
	£000	£000
United Kingdom	**31,273**	29,115

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

5. Operating profit

Operating profit is stated after charging:

	2018	2017
	£000	£000
Amortisation of intangible assets	**771**	431
Equity-settled share-based payments expense	**248**	97
Foreign exchange differences	**4**	14

Directors' remuneration and Auditors' remuneration for statutory audit was borne by Closerstill Acquisitions Limited in the year ended 31 December 2018 and year ended 31 December 2017.

6. Staff costs

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

	2018	2017
	No.	No.
Administrative staff	**14**	64
Management staff	**4**	4
	18	68

6. Staff costs *(continued)*

The aggregate payroll costs incurred during the year, relating to the above, were:

	2018	2017
	£000	£000
Wages and salaries	**1,727**	3,290
Social security costs	**225**	414
Other pension costs	**35**	34
Equity-settled share-based payments expense	**248**	97
Recharges from group companies	**2,040**	502
	4,275	4,337

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 2018 amounted to £4,965,000 (2017: £4,546,000), 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.

No directors received emoluments from the company (2017: £Nil)

The Closerstill Group operates two share based payment schemes for its employees, a share purchase scheme and a shadow equity scheme:

Share purchase scheme

Certain qualifying employees participate in the share purchase scheme, where they are offered shares at a nominal value, subject to management appraisal and the terms of their service. The Group makes grants of shares on an irregular basis and it is a condition of the scheme that at the discretion of management shares are returned when employees leave. A summary of the movements in the share purchase scheme are as follows:

	2018 No.	**2018 Weighted valuation per share**	2017 No.	2017 Weighted valuation per share
Outstanding at 1 January	**49,370**	**£46.30**	48,372	£42.20
Granted	**1,585**	**£68.05**	7,483	£68.05
Forfeited	**(2,294)**	**£42.12**	(5,925)	£41.56
Settled	**(48,661)**	**£47.09**	(560)	£29.39
Outstanding at 31 December	–	–	49,370	£46.30

On 19 December 2018 the scheme was settled as part of the sale of the business, as a result the Group have recognised an accelerated charge in respect of 2018.

6. Staff costs *(continued)*

Shadow equity scheme
Certain qualifying employees participate in the shadow equity scheme, where they are offered shadow equity within their employing company, subject to the terms of their service. The Group makes grants of shadow equity 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 shadow equity will be settled in cash on either a change in the ultimate parent of the group, or if the employing company leaves the group. The expected value of the shadow equity is recognised over the vesting period on a pro rata basis and the cumulative charge is recognised as a liability on the balance sheet. During the year, shadow equity with a value of £nil (2017: £118,000) was issued. On 19 December 2018 the shadow equity was settled as part of the sale of the business.

Measurement of fair value
The CloserStill Group, and therefore the Company, is unable to directly measure the fair value of employee services received. Instead the fair value of the shares and shadow equity granted during the year is determined by third party experts using a Black Scholes model at the date of grant. Shadow equity is revalued each year based on the performance of the employing company on which it is based. The model is recognised as being appropriate to value employee share schemes similar to the scheme operated by the Group.

Expense recognised in the Statement of Comprehensive Income The fair value attributed to employees of the Company in relation to the shares in issue during the year and their change in value amounts to £248,000 (2017: £97,000) and was recognised in the Statement of Comprehensive Income in the year with a corresponding credit to the Statement of Changes in Equity.

7. Tax on profit

Major components of tax expense/(income)

	2018	2017
	£000	£000
Current tax:		
UK current tax expense	**1,264**	209
Adjustments in respect of prior periods	**1,268**	(806)
Total current tax	**2,532**	(597)
Deferred tax:		
Origination and reversal of timing differences	**–**	(12)
Tax on profit	**2,532**	(609)

7. Tax on profit ***(continued)***

Reconciliation of tax expense/(income)

The tax assessed on the profit for the year is higher than (2017: lower than) the standard rate of corporation tax in the UK of 19% (2017: 19.25%).

	2018	2017
	£000	£000
Profit before taxation	**10,925**	9,020
Profit before taxation by rate of tax	**2,075**	1,736
Adjustment to tax charge in respect of prior periods	**1,268**	(806)
Effect of expenses not deductible for tax purposes	**195**	97
Effect of capital allowances and depreciation	**–**	(43)
Group relief claimed but not recharged	**(1,006)**	(1,454)
Other tax reconciliation difference	**–**	(127)
Deferred tax reversals	**–**	(12)
Tax on profit	**2,532**	(609)

The tax rate for the current year is lower than the prior year, due to changes in the UK corporation tax rate, which was decreased from 20% to 19% from 1 April 2017. Changes to the UK corporation tax rates were substantively enacted as part of Finance Bill 2016 (on 6 September 2016). These include reductions to the main rate to reduce the rate to 17% from 1 April 2020. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

8. Intangible assets

	Goodwill	Exhibition Titles & Rights	Website	Other intangibles	**Total**
	£000	£000	£000	£000	**£000**
Cost					
At 1 January 2018	2,688	2,490	195	823	**6,196**
Additions	–	–	64	27	**91**
Disposals	–	(2)	–	–	**(2)**
Transfers	–	–	4	–	**4**
Other movements	1	–	–	–	**1**
At 31 December 2018	2,689	2,488	263	850	**6,290**
Accumulated amortisation					
At 1 January 2018	511	358	24	9	**902**
Charge for the year	269	320	80	102	**771**
At 31 December 2018	780	678	104	111	**1,673**
Carrying amount					
At 31 December 2018	1,909	1,810	159	739	**4,617**
At 31 December 2017	2,177	2,132	171	814	5,294

9. Tangible assets

	Computer equipment £000	**Total £000**
Cost		
At 1 January 2018	4	**4**
Transfers	(4)	**(4)**
At 31 December 2018	–	–
Accumulated depreciation		
At 1 January 2018 and 31 December 2018	–	–
Carrying amount		
At 31 December 2018	–	–
At 31 December 2017	4	4

10. Debtors

	2018 £000	2017 £000
Trade debtors	**5,796**	7,784
Amounts owed by group undertakings	**40,937**	26,446
Other debtors	**1,252**	871
Corporation tax repayable	–	962
Prepayments and accrued income	**506**	610
	48,491	36,673

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.

11. Creditors: amounts falling due within one year

	2018 £000	2017 £000
Trade creditors	**1,474**	533
Amounts owed to group undertakings	**3,140**	2,549
Taxation and social security	**604**	685
Accruals and deferred income	**14,569**	15,159
Corporation tax	**1,318**	–
	21,105	18,926

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.

12. Provisions for liabilities

	Deferred tax (note 13) £000
At 1 January 2018 and 31 December 2018	**317**

13. Deferred tax

The deferred tax included in the statement of financial position is as follows:

	2018 £000	2017 £000
Included in provisions for liabilities (note 12)	**317**	317

The deferred tax account consists of the tax effect of timing differences in respect of:

	2018 £000	2017 £000
Provisions for liabilities	**317**	317

14. Called up share capital

Issued, called up and fully paid

	2018		2017	
	No.	**£**	No.	£
Ordinary shares of £1 each	**10**	**10**	10	10

15. Profit and loss account

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

16. Contingencies

The Company has entered into a cross guarantee in respect of the bank loan facility with certain other fellow group undertakings. The indebtedness subject to this cross guarantee at the year end was £110,000,000 (2017: £53,936,244).

17. Related party transactions

The Company was under the control of Closerstill Group Limited during the year.

The following inter company transactions with fellow group undertakings, which are not wholly owned, occurred during the current and previous year. Transactions comprised recharges for staff salaries, expenses and group management charges.

	Costs recharged by group companies		Costs recharged to group companies	
	2018	2017	**2018**	2017
	£000	£000	**£000**	£000
Closerstill Smart IOT Limited	**88**	–	**184**	11
Closerstill Big Data	**530**	9	**259**	89
Closerstill E-Commerce	**373**	30	**286**	57
Closerstill Cloud Security Expo	**117**	4	**337**	29
Closerstill Media Hong Kong Ltd	**–**	–	**–**	15
De France	**7**	–	**4**	–

18. Controlling party

Prior to 19 December 2018, the ultimate controlling party was considered to be the management team by virtue of their ownership of the majority of the Ordinary shares with no one individual member of the management team having ultimate control.

On 19 December 2018 the entire issued share capital of the business was acquired by CloserStill Exhibitions Limited (formerly CSM Acquisition Limited) for £126.2 million. The ultimate parent undertaking in the UK is CloserStill Group Limited (formerly CSM Topco Limited). The ultimate parent undertaking is Providence Equity Partners VIII L.P. (Cayman Islands), which is one of the holding companies for Providence Fund VIII.

At 31 December 2018, the immediate parent company is Closerstill Media 3 Limited, incorporated in England.

The consolidated financial statements of CloserStill Media Holdings Limited (formally Closerstill Group Limited) are the smallest and largest group in which the Company was consolidated for the year ended 31 December 2018. The ultimate parent in the United Kingdom is CloserStill Group Limited (formerly CSM Topco Limited) which is not required to prepare consolidated accounts for this period as it was incorporated on 29 November 2018 and has a long period of account ending 31 December 2019. Copies of the consolidated financial statements are publically available from Companies House, Crown Way, Cardiff, CF14 3UZ.