CLARION DEFENCE (UK) LIMITED

ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31st JANUARY 2021

COMPANY NO: 01062758

CONTENTS

STRATEGIC REPORT

The directors present their Strategic report for the year ended 31st January 2021.

Review of strategy

The company is a member of the Comet Midco group of companies (the Group). The Group is one of the world's leading event organisers, producing and delivering innovative and market-leading outcomes and experiences since 1947. The Group is an international business, with a portfolio of leading brands across a range of vertical markets. At 31st January 2021, we had over 1,600 employees based in 52 offices worldwide who specialise in delivering first-class marketing, networking and information solutions in high-value sectors, both in mature and emerging geographies.

Our purpose is to deliver exceptional customer outcomes and experiences, by making every connection count and, whilst our stated vision is to aspire that every one of our brands is the recognised leader in customer satisfaction in its segment.

In order to deliver on our purpose and vision we have five core strategic pillars:

PEOPLE, CULTURE & VALUES

Assemble and develop an industry-leading talent pool, under a clear and shared framework of values, behaviours and aspirations.

STRONG RESILIENT PORTFOLIO

Establish a world-class portfolio of leading brands in attractive underlying markets.

BUSINESS MODEL

Focus on business model evolution to deliver innovative products that meet the connection needs of their markets.

CUSTOMER CENTRICITY

Place exceptional customer outcomes and experiences at the heart of our approach to business.

OPERATING MODEL & TECHNOLOGY

Deliver customer value and grow our brands via an effective and progressive technology platform and operating model.

Business model

We are market leaders in providing connectivity and business-critical insight across communities of buyers and sellers. We do this by focusing on our five pillars which create innovative products. Placing exceptional customer outcomes and experiences at the heart of our business model enables our customers to realise their investment in our offerings.

Business model (continued)

Customers have always used our range of exhibitions, conferences, tradeshows and websites to target new business, demonstrate their products, build deeper relationships with their clients and identify new opportunities for performance improvement. In helping them achieve this, we experienced strong rebook rates and attracted new customers. The impact of COVID-19 on the Group has allowed us to explore more of the online or "non-live" forms of connections between market participants which have become more significant and higher profile than ever – providing an exciting new avenue for growth and product development for both the Group and our customers. We operate in stable, long-term, vertical industries with significant international growth potential. Our business model evolves to ensure we continue to meet our customers' expectations.

COVID-19 actions and implications

COVID-19 has had a major impact on the events industry worldwide since the pandemic was declared on 12th March 2020. The health and safety of our employees and customers continues to be the most important consideration as we work through our approach to returning to normal. Throughout the financial year, most of our offices continued to adopt a work from home policy, following local government advice on return to office working and business continuity.

We were unable to run the majority of our events during the financial year due to the restrictions on mass gatherings and international travel. The majority of customers continue to support us and we have worked with our venues to postpone a number of our events worldwide. We have only cancelled events where there is no other option.

Throughout the year we looked at our cost base across the portfolios and centrally, removing costs or deferring them in line with postponements to align with our expectations over event restart. This included a cycle of headcount review and subsequent reductions in line with business activity, deferring capital expenditure and managing our cost base to preserve liquidity. We also utilised COVID-19 government assistance schemes in the UK, China, Hong Kong, Germany and USA, and continue to do so where appropriate.

Consistent with the prior year, we continue to regularly model a number of possible forward-looking outcomes which consider, amongst other things, the overall length of the restrictions in each location, as well as the anticipated rate of recovery across key regions and events. These scenarios give a broad range of outcomes and continue to drive our approach to revenue and cost management, as well as discretionary spend, as we moved through 2020 and in to 2021. Further information is contained in the going concern and post balance sheet events sections within the Directors' report which starts on page 9.

It is clear that the pandemic has significantly impacted our 31st January 2021 results and although we are seeing signs of recovery, given the level of uncertainty that still exists and the dynamic nature of the situation in each geography, it is too early to quantify COVID-19's full impact on the financial year ended 31st January 2022. We continue to be confident that the demand for our live events remains and that coming out of this extremely difficult period and unprecedented situation, we are still well placed to deliver exceptional customer outcomes and experiences, alongside longer-term value creation.

Principal activity and review of the business

The principal activity of the company is the organisation of exhibitions and shows. During the year, the company generated revenue of £303,000 (2020: £31,054,000). This was due to the main, biennial event organised by the company trading in the previous financial year. Operating loss was £2,348,000 (2020: profit of £14,165,000).

Principal risks and uncertainties, financial risk management and key performance indicators

Principal risks and uncertainties, financial risk management and key performance indicators (KPIs) of the company are integrated with those of the Group, and are not managed separately. Accordingly, the principal risks and uncertainties of the Group and its KPIs, which include those of the company, are described in the Strategic report of the Consolidated financial statements of Comet Midco Limited for the year ended 31st January 2021.

Trends and factors affecting future performance

Looking to the years ahead, we remain encouraged by the company's underlying prospects. Alongside the familiar external unknowns, we continue to face the extraordinary in COVID-19. This has adversely affected our results in the current year and will impact year ended 31st January 2022. We are confident we have the strength in demand, quality brands and people, the strategy and the financial strength to ensure the company emerges successfully from this period, and as a recognised category leader.

The industry continues to evolve through advances in technology and modernisation. Throughout the last year, we have done significant work to better understand our customer and improve the alignment of visitor and exhibitor requirements. This is balanced with considering the opportunities for online or "non-live" forms of connections between market participants, which are becoming more significant and higher profile than ever. We see this as providing an exciting new avenue for growth and product development, alongside our live events.

Whether through live or digital formats, customer expectations are changing and becoming more sophisticated, with important implications for how we run the business. As we approach the recovery period, we want to bring "live" back in ways which meet these emergent needs and behaviours, including improving the product through technology use and complementary non-live services. We also need to transition our growing range of digital products generally into brands which deliver for our customers as a complement to our live events.

Live remains key to the future of the business and in all of our locations, the company continues to closely monitor government responses to recovery and the journey towards normal. Local roadmaps out of lockdown, including vaccine rollout and removal of social distancing, particularly for our domestic events, will play a key part in the recovery of our live formats.

Environmental matters

The company recognises it has an effect on the environment, regardless of how minor, and is committed to identifying and implementing environmental improvements where possible.

Greenhouse gas (GHG) reporting and the Streamlined Energy and Carbon Report (SECR) reportable emmisions scope and categories of the company are integrated with those of the Group, and are not managed separately. Accordingly, GHG and SECR reporting and methodology for the Group, which include those of the company, are described in the Strategic report of the Consolidated financial statements of Comet Midco Limited for the year ended 31st January 2021.

Social, community and human rights issues

The company is committed to the highest standards of ethical conduct in its business activities across the world. Every employee and individual acting on behalf of the company is responsible for maintaining the reputation of the company and for conducting company business professionally.

Social, community and human rights issues (continued)

Company policies include: Anti-Bribery and Corruption; Anti-Bullying and Harassment; Dignity at work; and Whistleblowing. The company takes a zero-tolerance approach to bribery and corruption and is committed to acting professionally, fairly and with integrity in all its business dealings and relationships wherever it operates.

The company has a robust employee grievance procedure that ensures that any problems or concerns regarding an employee's work, the working environment or working relationships are dealt with fairly and sensitively.

In accordance with section 54(1) of the Modern Slavery Act 2015, the Group's slavery and human trafficking statement for the financial year ended 31st January 2021, which applies equally to the company, is published on the Group's website: www.clarionevents.com.

The Group has a Corporate and Social Responsibility Committee consisting of representatives from central and operational teams. The aim of the Committee is to review and make recommendations to the Board on initiatives for the Group and the company to take responsibility for its impact on a number of issues ranging from human rights to looking after the environment.

Employees

The company values its employees and is committed to the continued improvement of employee engagement.

Employee objectives are aligned with business strategy, vision, and purpose.

The company has a comprehensive set of policies and processes that inform and support its employees in the way in which the company does business. This includes an employee handbook, global appraisal processes and competency framework tools to drive performance, talent, personal and career development.

The company has a wide selection of employee benefits and bonus/incentive schemes and an Employee Benefit Trust for senior management.

The company has a culture that is inclusive, entrepreneurial and open. The company's values are passion, care, imagination and trust and these are at the heart of how the company behaves and makes decisions around recruiting, developing and promoting talent. The company also uses its values to inform decision making around the customers, suppliers and third parties that it works with.

Unconscious bias

Employment decisions around recruitment, promotion, compensation benefits and performance management are based on individual skills, performance and behaviour and how this relates to the needs of the business. We are in the process of including unconscious bias training for managers as part of our recruitment training and will be including information about the subject in our manager guide.

Section 172 Companies Act 2006

The Board works to promote the success of the Group for the benefit of its members as a whole with regard to all its stakeholders and to the matters set out in Section 172 of the Companies Act 2006. The Board sees the fostering of good business relationships and maintaining a high degree of business integrity and stakeholder engagement as key to the continued success of the company. The following disclosure describes how the directors have had regard to the matters set out in section 172(1)(a) to (f) and forms the directors' statement required under section 414CZA of The Companies Act 2006.

Board governance
The Board has chosen to apply the Wates Corporate Governance Principles for Large Private Companies for the year ended 31st January 2021. These principles provide a code of corporate governance for large private companies to raise awareness of good practice and over time to help to improve standards of corporate governance. They also support directors to meet the requirements of Section 172 Companies Act 2006 by providing guidance on six key principles, as laid out in the Corporate governance report, on pages 28 to 31 of the Consolidated financial statements of Comet Midco Limited for the year ended 31st January 2021.

Activities of the Board
The Board operates an agenda of items aligned to the Group's operating and reporting cycles with approvals, endorsements, review and monitoring, where appropriate. As discussed in the Corporate governance report, on pages 28 to 31 of the Consolidated financial statements of Comet Midco Limited for the year ended 31st January 2021, our stakeholders are key to the Group's ability to deliver long-term value and this is a key area of focus for the Board. All decisions take into account the impact on stakeholders and the views of stakeholders are gathered in board papers and inform the decisions made in Board meetings. The principle decisions made by the Board relate to business development, namely acquisitions, trading and strategy.

The health and safety of our employees, customers and partners has remained a high priority for the Board during the last year.

It has been necessary to manage costs and cashflow more effectively during the last year. This included all employees being asked to take a pay reduction during a period of 2020, which was unequivocally agreed to by all employees. In taking this decision, the directors had regard to the financial situation of the company and the impact of COVID-19 at this time. The directors do not believe that this is a decision that will need to be repeated but will monitor and act accordingly, considering the likely consequence of any decision in the long term.

As the situation with COVID-19 affected live events and lockdowns commenced, the management board met at least weekly to review the situation. It quickly made a decision to expand the remit of the Business Continuity Planning ('BCP') team who have met weekly since the pandemic commenced. The BCP team worked to assist employees to work from home effectively and to monitor government guidance in each of the offices in which the Group operates and advise Board accordingly.

As government guidance has evolved, the Board, via the BCP team and the overseas chief executive officers (CEOs), has issued internal guidance to employees and during the times when offices have been able to open and/or employees have been unable to work from home, all employees have had a COVID-19-safe environment in which to work. Further details of the UK COVID-19-safe risk assessments can be found on our website, www.clarionevents.com. The management board, acting through the BCP team and overseas CEOs, will continue to monitor government guidance and respond accordingly, both in the short and long-term.

Section 172 Companies Act 2006 (continued)

Stakeholders
The Group's key stakeholders are considered to be investors, customers, suppliers, employees and the communities and environments in which we operate. The relationships with stakeholders, how the directors engage with them, along with key decisions and interactions are presented throughout the Annual Report and specifically in the Corporate governance report on pages 28 to 31 of the Consolidated financial statements of Comet Midco limited for the year ended 31st January 2021.

Stakeholders	**Objectives**	**Method of engagement**
Investors	Long-term, sustainable value growth, clear strategy and direction.	Monthly executive board meetings, provision of detailed regular and ad hoc management information, ongoing communications with Investor Directors. This communication has been increased to weekly with our Investor Directors as the situation with COVID-19 developed together with ad hoc meetings with our lenders to keep them appraised. Both Investor Directors and lenders remain supportive. Regular board meetings are held with shareholders who maintain a stake in our subsidiaries, with at least one member of the executive team present to discuss trading, strategy and ensure effective communication with shareholder partners. During the past year, this cadence has been increased, where necessary, to discuss any COVID-19 impact.
Customers	Provision of high-quality product, tailored by portfolio and event, to meet customer expectations and generate value.	Customer engagement is directly through attending live and digital events. During the last financial year, business units throughout the Group pivoted to holding more digital events in order to meet customer demand during the pandemic. In addition, investments for the long-term were made in virtual event platforms in order to continue to connect exhibitors and attendees and offer alternative solutions to attending live events. It is expected that these hybrid solutions will continue post pandemic. Inclusion of regular event-level metrics in board reporting, to be able to review customer behaviour and adapt accordingly.

Section 172 Companies Act 2006 (continued)

Stakeholders	**Objectives**	**Method of engagement**
Customers (continued)		Developing 'Customer Centricity through Needs, Purpose, Value' framework through regular feedback to develop a deeper understanding of customer needs and enable sustainable and purpose driven products. The formation of a series of 'WhatIf' seminars designed to assist employees to design and deliver outstanding digital products to customers. This was seen as increasingly important for employees as they worked from home to connect with, and learn from their peers. Pioneering, in conjunction with other exhibition organisers, the All Secure Framework which has since been adopted by Association of Exhibition Organisers and Society of Independent Organisers. This has been adopted as the common standards of health, safety and operational planning, management and on-site conduct for the events industry. The framework, is approved by the UK government, and provides support and assessments to ensure a safe return to live events. Work continues with this group to review the return to live and adapt accordingly.
Suppliers	Working together to deliver world-class events, both live and digital, considering environmental and social impacts of the whole supply chain.	Open and transparent relationships and communications with key suppliers and venues is encouraged. During the last year, as the pandemic occurred, work commenced with suppliers to preserve cash flow and eliminate costs where possible. This was managed by local teams in a way that ensured objectives were met, whilst also ensuring supply base would be able to deliver services when live events returned and relationships with suppliers were preserved. Key suppliers remain venues. During the last year, projects were undertaken by local and central teams to work with venues to postpone events. Where needed, the management board, in agreement with Investor Directors, made decisions to cancel events and open and transparent communication was had with suppliers at this time to work to a best outcome for all involved in order to foster relationships for the long-term.

Section 172 Companies Act 2006 (continued)

Stakeholders	Objectives	Method of engagement
Employees	Attraction and retention of high-quality employees with the information and tools to be effective in their roles. Support to employees as employees were working from home for the majority of the year. Appropriate recognition and reward in the short-term with development opportunities to build successful future careers.	Via regular communication and town halls, including Q&A, with the CEO. Regular communication from management throughout the business from global senior leadership meetings through to local team meetings. Through regular HR reports to the Board including engagement initiatives and measures such as employee engagement surveys. Initiatives launched during the year to support employees during this difficult time including the launch of a mental wellbeing portal in association with the Association of Exhibition Organisers. Regular wellness emails to employees were sent by the HR team(s). Black History Month was celebrated with a series of informative facts sent by members of the management board highlighting historical facts and also members of staff who were positively contributing to the “Black Lives Matter” initiative. This was considered by the Board to be important to support employees and encourage innovation. Continued support of initiatives by the Association of Exhibition Organisers to support exhibition industry professionals who have lost employ during 2020. During the year a Diversity and Inclusivity (D&I) initiative was launched: strategy document published, global D&I representatives appointed and employee forums held with a roadmap in place for further initiatives.
Community and environment	Positive impact on local communities and management of environmental footprint.	Corporate and Social Responsibility Committee reporting to the Board. Active contribution to the Exhibitions Industry Cross-Association Group formed to share know-how and good practices in corporate social responsibility within the exhibitions Industry.

By order of the Board

R Johnson
Director
20 October 2021

DIRECTORS' REPORT

The directors present their report of Clarion Defence (UK) Limited (the company) together with the unaudited financial statements for the year ended 31st January 2021.

Dividends

No dividend has been paid or declared during the year (2020: £nil). No dividend has been received during the year (2020: £nil).

Corporate governance

The corporate governance of the company is integrated with that of the Group, and is not managed separately. Accordingly, detailed corporate governance information for the Group, which includes that of the company, is described on pages 28 to 31 of the Consolidated financial statements of Comet Midco Limited for the year ended 31st January 2021.

Employee information

Our employees and workers are considered one of our key stakeholders. Detailed information on employee engagement and other relevant information is set out on page 4 of the Strategic report.

Trends and factors affecting future performance

This is set out on page 3 of the Strategic report.

Financial risk management

The Group's approach to financial risk management is set out in on page 3 of the Strategic report.

Post balance sheet events

None noted.

Directors

The directors who served during the year, and up to the date of signing the financial statements, were as follows:

R Johnson
S R Kimble
T Porter (resigned 2nd October 2020)
R S Wilcox

The Group holds a directors' and officers' insurance policy which covers all the directors of the company.

Going concern

As part of the going concern assessment performed in respect of the Comet Midco Limited consolidated financial statements for the year ended 31st January 2021, the directors have made current consideration of the potential impact of the COVID-19 pandemic on the cashflows, liquidity, banking covenants and business activities of the Group over the next 15 months. This assessment, background, key assumptions and the views of the Board are set out in detail in the Director's report of the Comet Midco Limited consolidated financial statements.

The Board has confidence in the base case and the robust assumptions on which it is built but has reviewed and challenged the modelling undertaken by management and stress-tested the model for the impact of a number of different scenarios. The extreme scenario assumptions are set out in the Comet Midco Limited consolidated financial statements.

Despite the positivity visible in the market and the indicators of demand we are seeing from our customers who are keen to be back in face-to-face contact with their customers at our events, the directors acknowledge that uncertainties over exhibitions, events and mass gatherings, as well as travel restrictions, continue to exist. When considering this extreme scenario, the assumptions and related cashflows, there are points at which, within the next 15 months the Group would not have sufficient liquidity within its existing operating cash balances to satisfy all financial obligations when they fall due.

Therefore, the Group's indirect controlling shareholder, Blackstone Capital Partners (Cayman) VII, LP, part of The Blackstone Group Inc., has provided a letter confirming that, for a period of 15 months from 31st May 2021, it will provide support to the Group up to a fixed amount, if required. Having considered the forecast performance of the Group, including the extreme downside risks, the directors are satisfied that the Group will not require more than the fixed amount of support to be provided.

Further, Blackstone Capital Partners (Cayman) VII, LP, has confirmed that for a period of a 15 months from 31st May 2021, it does not intend to undertake any decision or action, in its capacity as an indirect controlling shareholder of the Group, which would reasonably be expected to negatively affect the Group's ability to continue as a going concern. The details of this support and the ability of Blackstone Capital Partners (Cayman) VII, LP to pay have been reviewed by the directors.

Since the Comet Midco Limited consolidated financial statements were signed, the model continues to be updated on a rolling basis and closely monitored. In the most extreme scenario, which the directors believe is highly unlikely, and with the support provided by Blackstone throughout the period to August 2022, the model shows headroom through the 15 months to January 2023.

Accordingly, but acknowledging the uncertainty in respect of the ongoing situation with COVID-19 and the continuing impact of this on the global economy, the directors continue to believe that it is appropriate to prepare the financial statements on a going concern basis.

By order of the Board

R Johnson
Director
20 October 2021

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Directors' responsibilities for the financial statements

The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable UK law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", 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 those 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 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and 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 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 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.

INCOME STATEMENT

For the year ended 31st January	Notes	2021 £000	2020 £000
Revenue	4	303	31,054
Cost of sales		(954)	(15,168)
Gross (loss)/profit		**(651)**	**15,886**
Other income		21	62
Administrative expenses		(1,718)	(1,783)
Operating (loss)/profit		**(2,348)**	**14,165**
(Loss)/profit before taxation		**(2,348)**	**14,165**
Tax credit/(charge)	6	397	(3,032)
(Loss)/profit and total comprehensive (expense)/income for the year		**(1,951)**	**11,133**

The accompanying accounting policies and notes form an integral part of these financial statements.

The company had no other comprehensive income or expense in the current or prior period.

All amounts relate to continuing activities.

CLARION DEFENCE (UK) LIMITED

STATEMENT OF FINANCIAL POSITION — COMPANY NO: 01062758

At 31st January	Note	2021 £000	2020 £000
Investment	7	1	1
Non-current assets		**1**	**1**
Cash at bank and in hand		1	1
Deferred tax asset	8	2	2
Trade and other receivables	9	69,350	58,629
Current assets		**69,353**	**58,632**
Total assets		**69,354**	**58,633**
Trade and other payables	10	-	(2,452)
Non-current liabilities		-	**(2,452)**
Trade and other payables	10	(21,098)	(5,974)
Current liabilities		**(21,098)**	**(5,974)**
Total liabilities		**(21,098)**	**(8,426)**
Net assets		**48,256**	**50,207**
Equity			
Called up share capital	11	11	11
Share premium account		19	19
Retained earnings		48,226	50,177
Total equity		**48,256**	**50,207**

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

The directors confirm that:

- the members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006; and
- they acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The notes on pages 15 to 26 form part of these financial statements. These financial statements on pages 12 to 26 were approved by the board of directors on 20 October 2021 and signed on its behalf by:

R Johnson
Director

STATEMENT OF CHANGES IN EQUITY

	Share capital £000	Share premium £000	Share based payments reserve £000	Retained earnings £000	Total shareholders' funds £000
At 1st February 2019	**11**	**19**	**11**	**39,044**	**39,085**
Profit for the year	-	-	-	11,133	11,133
Total comprehensive income	-	-	-	11,133	11,133
Share based payments	-	-	(11)	-	(11)
At 31st January 2020	**11**	**19**	**-**	**50,177**	**50,207**
Loss for the year	-	-	-	(1,951)	(1,951)
Total comprehensive expense	-	-	-	(1,951)	(1,951)
At 31st January 2021	**11**	**19**	**-**	**48,226**	**48,256**

1. Accounting policies

1.1 Corporate information

Clarion Defence (UK) Limited (the company) is a private company, limited by shares, incorporated and domiciled in the United Kingdom. The address of its registered office is Bedford House, 69-79 Fulham High Street, London, SW6 3JW.

1.2 Basis of preparation

The financial statements of the company have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and in accordance with applicable accounting standards as issued by the Financial Reporting Council and with those parts of the Companies Act 2006 applicable to companies reporting under FRS 101.

These financial statements are prepared on a going concern basis under the historical cost convention as set out in the Director's report.

The company has taken advantage of the following exemptions from the requirements of International Financial Reporting Standards (IFRS) in the preparation of these financial statements, in accordance with FRS 101:

- the requirements of IFRS 7 *Financial Instruments: Disclosures* and IFRS 9 *Financial Instruments*;
- the requirements of paragraphs 91 to 99 of IFRS 13 *Fair Value Measurement*;
- disclosures in respect of capital management outlined in IAS 1 *Presentation of Financial Statements*;
- the requirement of IAS 7 *Statement of Cash Flows*;
- the requirements in IAS 24 *Related Party Disclosures* to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member;
- the requirements of paragraphs 134(d)-134(f) and 135(c)-135(e) of IAS 36 *Impairment of assets;* and
- the effects of new but not yet effective IFRS.

The principal accounting policies of the company have been consistently applied to the periods presented.

1.3 Foreign currency translation

Functional and presentation currency
Items included in the financial statements of the company are presented in sterling, which is the company's functional and presentation currency. All values are rounded to the nearest thousand (£000), except when otherwise indicated.

Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transactions. Foreign-exchange gains and losses resulting from the settlement of such transactions and from the translation at the year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Non-monetary items that are measured at historical cost in a foreign currency are translated at rates prevailing at the date of the transactions. Non-monetary items measured at fair value in a foreign currency are translated at the rates prevailing at the date when the value is determined. The gain or loss on translation of non-monetary items is recognised in line with where the gain or loss of the item that gave rise to the translation difference has been recognised.

1. Accounting policies (continued)

1.4 Revenue recognition

Revenue is recognised in order to depict the transfer of control of goods or services to customers in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. Revenue is measured net of value-added tax, duties and other sales tax. Transaction prices for performance obligations are fixed within contracts. Payment terms come into force once the relevant performance obligations have been satisfied.

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

Digital revenue is recognised when the performance obligations detailed in the associated contract have been fulfilled, with advance receipts recognised as deferred income in the balance sheet until such date.

Advertising revenue is recognised on publication or over the period of the online display. Subscription revenue arising from subscriptions to directories and market research reports is recognised evenly over the period of the subscription.

Revenue relating to barter transactions is recorded at stand-alone selling prices and recognised in accordance with the company's revenue recognition policies.

The company does not adjust consideration for the effects of a financing component if there is less than one year between receiving payment and satisfying the performance obligation. In addition, the company expenses contract acquisition costs when the asset that would have resulted from capitalising such costs would have been amortised within one year or less.

1.5 Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. Grants received are deducted against the related expense on a systematic basis over the periods that the costs, for which they are intended to compensate, are expensed.

1.6 Taxes

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, calculated under tax rates and laws enacted or substantively enacted at the reporting date.

Deferred tax is provided, using the liability method, on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted at the reporting date and are expected to apply in the period when the deferred tax is settled or realised.

Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised on all deductible temporary differences to the extent it is probable that taxable profits will be available, against which the temporary differences can be utilised. Deferred tax assets are not recognised if the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss. Recognition of deferred tax, therefore, includes judgements regarding the timing and level of future taxable income.

1. Accounting policies (continued)

1.6 Taxes (continued)

Deferred tax is provided on temporary differences arising on investments in subsidiaries and equity-accounted investments, except where the company controls the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilised.

1.7 Prepaid event costs

Prepaid event costs relating to future events are deferred and only expensed once the event has taken place.

1.8 Investment

The investment in the company's subsidiary is held at historical cost less provision for impairment.

1.9 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and liabilities are recognised on the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets held by the company are classified at initial recognition as financial assets at fair value through profit or loss or loans and receivables. All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Subsequent to initial recognition, financial assets classified as loans and receivables are carried at amortised cost using the effective interest rate method.

Financial liabilities owed by the company are classified at initial recognition as financial liabilities at fair value through profit or loss or at amortised cost. All financial liabilities are initially recognised at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Trade and other receivables
Trade and other receivables are recognised when it is probable that a future economic benefit will flow to the company. Trade receivables are initially recognised at fair value less provision for impairment.

The provision for impairment of trade receivables is based on expected credit losses (ECLs). The company has applied a simplified approach in calculating ECLs therefore does not track changes in credit risk but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

Allowances for ECLs relating to amounts due from subsidiary undertakings are a probability-weighted estimate of credit losses and are calculated on actual historical credit losses adjusted to reflect differences between the historical credit losses and the company's forward-looking view of the economic conditions over the expected lives of the receivables.

Cash and cash equivalents
Cash and cash equivalents comprise cash at bank and in hand.

1. Accounting policies (continued)

1.9 Financial instruments (continued)

Trade and other payables and interest-bearing loans
Trade and other payables and interest-bearing loans are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest rate method.

1.10 Impairment of non-financial assets

For non-financial assets, excluding, goodwill, the company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying value of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses of continuing operations are recognised in the income statement.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the company estimates the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the income statement.

2. Significant accounting judgements, estimates and assumptions

The preparation of the company's financial statements requires management to make judgements, estimates and assumptions that could have a material impact on the financial statements and to make judgements in the process of applying its accounting policies.

Estimates and assumptions applied by management are based on information available, historical experience and other factors, including expectations of future events that are believed to be reasonable and relevant under the circumstances. Matters involving the most significant judgements, estimates and assumptions are outlined below.

2. Significant accounting judgements, estimates and assumptions (continued)

Impairment of non-financial assets

The assessment of the recoverable amount of assets or cash generating units (CGUs) involves management's estimate of a number of key assumptions relating to the inputs, including those used to derive the expected future cashflows, such as future capital expenditure, discount rates, long-term growth rates and tax rates. In addition, management's judgement of short-term growth rates was required when considering the speed of recovery of each CGU subsequent to COVID-19 and the impact of this on future cashflows. These assumptions are disclosed in note 12 of the Consolidated financial statements of Comet Midco Limited.

Taxation

Deferred tax assets are only recognised to the extent that either there are sufficient deferred tax liabilities available to offset the deferred tax assets at the balance sheet date or where it is probable that future taxable profits will be available against which the asset can be utilised. Recognition of deferred tax assets, therefore includes judgements regarding the timing and level of future taxable income.

Impairment of trade receivables and amounts due from subsidiary undertakings

For the purposes of impairment of trade receivables, management is required to consider forward-looking estimates when determining an appropriate loss allowance based on lifetime expected credit losses (ECLs) at the reporting date. These estimates include future cash-collection and refund rates, external market and other economic factors and both the geographic and market spread of the customer base.

ECLs relating to amounts due from subsidiary undertakings are a probability-weighted estimate of credit losses and are calculated on future cash generation by the borrower, external market and other economic factors.

3. Changes in accounting policies and new and amended accounting standards

New and amended standards and interpretations

During the year ended 31st January 2021, the company adopted Amendments to the definition of material in IAS 1 *Presentation of Financial Statements* and IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*. The amendments clarify the definition of 'material'. Adoption of these accounting standards had no impact on the company's results or financial position.

Revised Conceptual Framework for Financial Reporting
The revision helps preparers of financial statements develop consistent accounting policies if there is no applicable standard in place and assists understanding and interpretation of the standards.

No other new or amended accounting standards have led to any significant changes to the company's accounting policies or had any material impact on the company.

Standards not yet effective

Management has considered the new standards, amendments and clarifications issued and believes the following are relevant to the company.

Amendments to IAS 1 *Presentation of Financial Statements* – Classification of Liabilities as Current or Non-current
The amendments clarify the classification of liabilities as current or non-current. The amendments are applied for annual periods beginning on or after 1st January 2023.

3. Changes in accounting policies and new and amended accounting standards (continued)

Amendments to IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* – Onerous Contracts - Cost of Fulfilling a Contract
The amendments clarify the definition of the cost of fulfilling a contract and are effective for annual periods beginning on or after 1st January 2022.

Interest Rate Benchmark Reform – Phase 2 – Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16
The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate is replaced with an alternative nearly risk-free interest rate. The amendments are effective for annual periods beginning on or after 1st January 2021.

Annual Improvements to IFRS Standards 2018–2020
The Annual Improvements include an amendment to one standard that is relevant to the company:

- IFRS 9 *Financial Instruments: t*he amendment clarifies the definition of fees when applying the '10 per cent' test for derecognition of financial liabilities. The amendment is effective for annual periods beginning on or after 1st January 2022.

The company will apply these amendments and clarifications when they become effective and none is expected to have a material impact on the company's results or financial position.

4. Revenue

Analysis of revenue from contracts with customers:

	2021	2020
	£000	£000
Geographical markets		
United Kingdom	252	11,702
North and South America	38	4,547
Europe	13	9,812
Middle East	-	2,009
Asia	-	2,539
Africa	-	445
	303	**31,054**

All revenue recognised related to the organisation of exhibitions and was recognised at a point in time.

In the year ended 31st January 2021, the company had two UK customers with total revenue of £203,000, representing 67% of total company revenue. The two UK companies were BAE Systems plc which contributed £172,0000 and Cummins Limited which contributed £31,000. In the year ended 31st January 2020, no individual customer contributed more than 10% of the company's revenue.

Of the £2,452,000 deferred revenue reported as at 31st January 2020, £nil has been recognised within revenue in the year ended 31st January 2021.

5. Employees

Aggregate staff costs were as follows:

	2021 £000	2020 £000
Wages and salaries	339	324
Social security costs	24	34
Pension costs	30	18
Share based payments	-	(11)
	393	**365**

The average number of employees during the year was:

	2021 Number	2020 Number
Exhibitions	5	5

None of the directors received any remuneration during the financial year in respect of their services as directors of the company (2020: £nil).

6. Taxation

a) Tax (credited)/charged in the income statement

	2021 £000	2020 £000
Current tax		
United Kingdom corporation tax at 19%		
Current year	-	93
(Receipt)/payment for UK group relief	(442)	2,603
Adjustments in respect of prior years	45	-
Total current tax (credit)/charge	**(397)**	**2,696**
Deferred tax		
Origination and reversal of temporary differences	-	1
Derecognition of deferred tax asset	-	335
Total deferred tax charge	**-**	**336**
Total tax (credit)/charge on (loss)/profit on ordinary activities	**(397)**	**3,032**

6. Taxation (continued)

b) Factors affecting the tax (credit)/charge for the period

The tax assessed on the loss on ordinary activities for the period varies from the standard rate of corporation tax in the United Kingdom of 19% (2020: 19%). The differences are explained below:

	2021 £000	2020 £000
(Loss)/profit on ordinary activities before tax from continuing operations	(2,348)	14,165
Tax calculated at UK rate of 19% (2020: 19%)	(446)	2,691
Effect of:		
Expenses that are not deductible in determining taxable profit	4	5
Adjustments in respect of prior periods	45	336
Total tax (credit)/charge	**(397)**	**3,032**

Factors that may affect future tax charges

The UK rate of corporation tax was due to reduce to 17% from 1st April 2020. However, a change to keep the rate at 19% was announced in the Budget in March 2020. As this change was substantively enacted on 17th March 2020, continued use of the 19% rate has been taken into account in the calculation of the net deferred tax liability provided at the balance-sheet date as the rate for the years over which most deferred tax liabilities are expected to reverse. This results in a re-measurement of deferred tax balances up from 17% in 2020.

In March 2021, it was announced that the corporation tax rate will increase from 19% to 25% with effect from 1st April 2023. The Finance Bill 2021 was substantively enacted on 24th May 2021; however, as this was after the balance-sheet date, the deferred tax balances have been measured at 19% as at 31st January 2021.

The effect of this legislation, once substantively enacted, would be to increase the net deferred tax asset of the company by £1,000 to £3,000.

7. Investment

	£000
Cost	
At 1st February 2019, 31st January 2020 and 31st January 2021	**1**

The carrying amounts of the company's investment in its subsidiary undertaking is reviewed annually to determine if there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. The recoverable amounts of assets are the greater of their fair value less the costs of disposal and their value in use. In assessing the value in use, the estimated future cashflows are discounted to their present values using appropriate pre-tax discount rates. Impairment losses are recognised when the carrying amount of an asset exceeds its estimated recoverable amount with impairment losses being recognised in operating expenses in the income statement.

7. Investment (continued)

The company's sole subsidiary is DSEI Limited. DSEI Limited is 100% wholly owned by the company and is dormant. DSEI Limited is incorporated in the United Kingdom, and its registered address is Bedford House, 69-79 Fulham High Street, London, United Kingdom SW6 3JW.

8. Deferred tax

The deferred tax assets recognised in the balance sheet are shown below:

	2021 £000	2020 £000
Decelerated capital allowances	2	2
Deferred tax asset	**2**	**2**

9. Trade and other receivables

	2021 £000	2020 £000
Trade receivables	432	166
Less: allowance for expected credit losses	(7)	(46)
Trade receivables - net	425	120
Amounts due from Group undertakings	44,778	36,106
Intercompany loan receivable	22,255	22,255
Prepaid event costs	1,682	28
Taxation and social security	210	120
	69,350	**58,629**

Amounts due from Group undertakings and the intercompany loan receivable are unsecured, non-interest bearing and repayable on demand.

The ageing analysis of the company's gross trade receivables is as follows:

	2021 £000	2020 £000
Current	22	-
Past due less than 30 days	91	8
Past due 30 – 60 days	116	70
Past due 60 – 90 days	36	17
Past due 90 – 120 days	57	27
Past due more than 120 days	110	44
	432	**166**

9. Trade and other receivables (continued)

Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.

The movement in the allowance for expected credit loss was as follows:

	2021 £000	2020 £000
At 1st February	46	138
Charge to profit or loss	-	33
Allowance utilised during the year	(32)	-
Allowance released during the year	(7)	(125)
At 31st January	**7**	**46**

Trade receivables past due but not impaired are as follows:

	2021 £000	2020 £000
Current	22	-
Past due less than 30 days	91	8
Past due 30 – 60 days	116	68
Past due 60 – 90 days	36	17
Past due 90 – 120 days	57	27
Past due more than 120 days	103	-
	425	**120**

10. Trade and other payables

	2021 £000	2020 £000
Trade payables	318	803
Amounts due to Group undertakings	4,233	4,498
Tax and social security	-	95
Other payables	120	-
Accruals	62	578
Deferred income	16,365	2,452
	21,098	**8,426**
Analysed as:		
Current	21,098	5,974
Non-current	-	2,452
	21,098	**8,426**

Amounts due to Group undertakings are unsecured, non-interest bearing and repayable on demand.

11. Called up share capital

	Number of shares	Share capital £000
Authorised, issued and fully paid ordinary shares of £1 each		
At 31st January 2020 and 2021	**10,526**	**11**

12. Contingent liabilities, contingent assets and capital commitments

At 31st January 2021, there exists a charge over £2,948,000 of the company's assets, all measured at fair value, as continuing security for the repayment on their maturity date of the term loans and the revolving credit facility due to third parties (see note 19.2 of the Consolidated financial statements of Comet Midco Limited).

At 31st January 2021, the company had no other contingent assets or liabilities in respect of bank and other guarantees or other matters arising in the ordinary course of business from which material losses are anticipated.

13. Related party transactions

2021	**Sales £000**	**Year-end balances £000**
International Training Equipment Conference Limited	16	329

2020	**Sales £000**	**Year-end balances £000**
International Training Equipment Conference Limited	-	313

Simon Williams, a director of International Training Equipment Conference Limited, was also a director of Reddrig Limited. Reddrig Limited was paid £96,803 for the year ended 31st January 2021 (2020: £108,530) for consultancy services. At 31st January 2021, there was no balance outstanding (2020: £46,114).

There are no other related party transactions for the year ended 31st January 2021 or 31st January 2020.

14. Post balance sheet events

No significant events have occurred subsequent to the balance sheet date.

15. Immediate and ultimate parent undertaking and controlling party

The company's immediate parent company is Clarion Defence and Security Limited. The company's ultimate parent undertaking and controlling party is The Blackstone Group Inc., a company incorporated in Delaware, USA and listed on the New York Stock Exchange.

The consolidated accounts of Comet Midco Limited are the highest level consolidation in which the company is included. Accounts are available at Bedford House, 69-79 Fulham High Street, London, United Kingdom SW6 3JW.