

SUPERSTRUCT UK FESTIVALS LTD

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

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SUPERSTRUCT UK FESTIVALS LTD

COMPANY INFORMATION

Directors	James Peter Barton Roderik August Schlösser
Registered number	08908975
Registered office	c/o Superstruct Entertainment Ltd 364-366 Kensington High Street London W14 8NS
Independent auditor	SRLV Audit Limited Chartered Accountants & Statutory Auditor Elsley Court 20-22 Great Titchfield Street London W1W 8BE

SUPERSTRUCT UK FESTIVALS LTD

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SUPERSTRUCT UK FESTIVALS LTD

STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022

Introduction

The directors present their strategic report for Superstruct UK Festivals Ltd (the "company") for the year ended 31 December 2022.

Business review

The principal activity of the company continued to be that of a holding company. The company derives income from dividends and profit share from its subsidiaries. There have not been any significant changes in the company's principal activity in the year under review. The company's head office is in London.

Principal risks and uncertainties

The risks and uncertainties facing the company (as a result of its shareholdings in live music companies) are detailed below.

Ticket sales: The financial success of an event depends heavily on how many tickets are sold, with a high proportion of the costs of the event needing to be committed in advance.

The company seeks to mitigate this risk by seeking to acquire events with strong brands which generate a high level of customer loyalty.

Possible event cancellations: The company considers the risk of COVID-19 event related cancellations to be low. However, the company is aware of the risk of its events being cancelled for factors outside of COVID-19, such as adverse weather conditions.

The company seeks to mitigate this risk by ensuring its subsidiaries have the appropriate insurances in place and that they maintain tight control over committed spend, so as to minimise losses in the event of a cancellation of a show.

Financial instruments: The company faces risk in respect of various financial instruments including interest rates, liquidity, and capital.

Liquidity Risk

The company's principal financial instrument is cash. The company has other financial instruments such as trade receivables and trade payables that arise directly from its operations. The financing of daily working capital requirements is satisfied through positive operating cash generation. Liquidity does not therefore pose a high risk for the company.

Credit Risk

The company's principal financial assets are bank balances, cash and trade and other receivables. The company's credit risk is primarily attributable to its trade receivables. The company operates to ensure that the payment terms of customers are matched to the company's own contractual obligations in terms of delivery of contracted services. The company monitors the credit ratings of customers and undertakes due diligence before providing credit terms. Credit risk is assessed in relation to knowledge of the customer or by credit references. The company's cash and cash equivalents are held with two banking groups with a high credit rating.

An allowance for impairment is made in accordance with expected credit loss method. The company considers historic, current and forward looking information including macroeconomic conditions, in order to assess an appropriate provision. The company provides, in full, for any debts it believes have become non-recoverable.

The directors have reviewed their customer portfolio and marketplace and do not consider the risk of bad debt to be material to the business.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable.

SUPERSTRUCT UK FESTIVALS LTD

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

Currency Risk

The principal currency of the company's financial assets and liabilities is pounds sterling. The company does have contracts where it has been agreed to bill the client in a currency other than the principal currency. The company therefore faces currency exposures. However, these transactions are not currently considered to be significant to the company.

Capital Risk Management

The company's objectives when managing capital is to safeguard the company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets.

Financial assets measured at fair value through profit or loss comprise cash at bank and in hand.

Financial assets that are debt instruments measured at amortised cost comprise trade receivables, amounts owed by group undertakings and other receivables.

Financial liabilities measured at amortised cost comprise bank overdrafts, trade payables, amounts due to group undertakings, other payables and accruals.

Key performance indicators

Given the straightforward nature of the business as a holding company, the company's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business. The company's performance and position is assessed at Group level.

This report was approved by the board on 8 AUGUST 2023

and signed on its behalf.



Roderik August Schlösser
Director

SUPERSTRUCT UK FESTIVALS LTD

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present their report and the financial statements for the year ended 31 December 2022.

Results and dividends

The profit for the year, after taxation, amounted to £496,311 (2021 - £752,898).

No dividends were declared or paid during the year (2021 - £NIL).

Directors

The directors who served during the year were:

James Peter Barton (appointed 8 November 2022)
Roderik August Schlösser
Sinisa Krnic (resigned 8 November 2022)
Daniel Zwicky (resigned 8 November 2022)

Future developments

The directors plan to continue the development of the company's subsidiary brands and increase attendance of their events. The directors continue to explore opportunities when they arise to grow and expand the existing business.

Qualifying third party indemnity provisions

The directors benefit from qualifying third party indemnity provisions in place.

Matters covered in the strategic report

Details of the principal risks and uncertainties faced and the key performance indicators of the company are discussed in the strategic report.

Disclosure of information to auditor

Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Post balance sheet events

Subsequent to the balance sheet date, the company made the following acquisitions:

- 67.7% of the share capital of Mighty Hoopla Ltd (46.7% directly and 21% indirectly via its acquisition of Mr November)
- 70% of the share capital of Waxarch Holdings Ltd
- 70% of the share capital of SBH Events Holdings Ltd
- 70% of the share capital of Mr November Ltd
- 70% of the share capital of X The Tracks Ltd
- 100% of the share capital of Truck Festivals UK Ltd (via intra-group transfer)
- 85% of the share capital of Lost Ventures Ltd (via intra-group transfer)

Subsequent to the balance sheet date, the company issued two additional shares.

SUPERSTRUCT UK FESTIVALS LTD

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

Auditor

Under section 487(2) of the Companies Act 2006, SRLV Audit Limited will be deemed to have been reappointed as auditor 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

This report was approved by the board on 8 AUGUST 2023 and signed on its behalf.



Roderik August Schlösser
Director

SUPERSTRUCT UK FESTIVALS LTD

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2022

The directors are responsible for preparing the strategic report, the directors' report and the financial statements in accordance with applicable 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'. 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 these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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 to enable them to ensure that the financial statements comply with the Companies Act 2006. They 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.

SUPERSTRUCT UK FESTIVALS LTD

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SUPERSTRUCT UK FESTIVALS LTD

Opinion

We have audited the financial statements of Superstruct UK Festivals Ltd (the 'company') for the year ended 31 December 2022, which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 'Reduced Disclosure Framework' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

We have nothing to report in this regard.

SUPERSTRUCT UK FESTIVALS LTD

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SUPERSTRUCT UK FESTIVALS LTD (CONTINUED)

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

SUPERSTRUCT UK FESTIVALS LTD

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SUPERSTRUCT UK FESTIVALS LTD (CONTINUED)

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the entity's industry and sector, control environment, business performance and management incentives;
- the results of our specific enquiries of management and those charged with governance about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the company's documentation of their policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
 - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following area: the recognition of revenue. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override of controls.

We also obtained an understanding of the legal and regulatory frameworks in which the company operates, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act and tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

SUPERSTRUCT UK FESTIVALS LTD

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SUPERSTRUCT UK FESTIVALS LTD (CONTINUED)

Audit response to risks identified

Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Whilst the procedures above describe the extent to which our procedures are capable of detecting irregularities, including fraud, there are inherent limitations in these audit procedures. The further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, misrepresentation or through collusion. We are not responsible for preventing irregularities, including fraud, or non-compliance with laws and regulations and cannot be expected to detect all irregularities or non-compliance with all laws and regulations.

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

Use of our report

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

SRLV Audit Limited

Marc Voulters (Senior Statutory Auditor)

for and on behalf of
SRLV Audit Limited

Chartered Accountants
Statutory Auditor

Elsley Court
20-22 Great Titchfield Street
London
W1W 8BE

8 AUGUST 2023

SUPERSTRUCT UK FESTIVALS LTD

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Note	2022 £	As restated 2021 £
Administrative expenses		(1,084,865)	(23,736)
Operating loss		(1,084,865)	(23,736)
Income from shares in group undertakings		7,814,915	814,839
Amounts written off investments		(5,833,888)	(110,551)
Interest receivable and similar income	8	46,929	72,528
Interest payable and similar charges	9	(446,780)	-
Profit before tax		496,311	753,080
Tax on profit	10	-	(182)
Profit for the financial year		496,311	752,898
Other comprehensive income:			
Fair value movements	6	(4,560,199)	207,195
Total comprehensive income for the year		(4,560,199)	207,195

The notes on pages 13 to 26 form part of these financial statements.

SUPERSTRUCT UK FESTIVALS LTD
REGISTERED NUMBER:08908975

BALANCE SHEET
AS AT 31 DECEMBER 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	11	6,893	-
Investments	12	40,652,464	22,294,691
		<u>40,659,357</u>	<u>22,294,691</u>
Current assets			
Debtors: amounts falling due within one year	13	4,854,989	6,931,663
Cash at bank and in hand	14	761,321	1,068,073
		<u>5,616,310</u>	<u>7,999,736</u>
Creditors: amounts falling due within one year	15	(29,152,530)	(19,848,705)
Net current liabilities		<u>(23,536,220)</u>	<u>(11,848,969)</u>
Total assets less current liabilities		<u>17,123,137</u>	<u>10,445,722</u>
Creditors: amounts falling due after more than one year	16	(9,136,031)	(2,674,360)
		<u>7,987,106</u>	<u>7,771,362</u>
Net assets		<u><u>7,987,106</u></u>	<u><u>7,771,362</u></u>
Capital and reserves			
Called up share capital	18	514,815	514,415
Share premium account	19	4,279,232	-
Other reserves	19	(7,234,559)	(2,674,360)
Profit and loss account	19	10,427,618	9,931,307
		<u>7,987,106</u>	<u>7,771,362</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 8 AUGUST 2023



Roderik August Schlösser
Director

The notes on pages 13 to 26 form part of these financial statements.

SUPERSTRUCT UK FESTIVALS LTD

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Called up share capital £	Share premium account £	Other reserves £	Profit and loss account £	Total equity £
At 1 January 2021	514,415	-	(2,881,555)	9,178,409	6,811,269
Comprehensive income for the year					
Profit for the year	-	-	-	752,898	752,898
Fair value movements	-	-	207,195	-	207,195
Total comprehensive income for the year	-	-	207,195	752,898	960,093
Total transactions with owners	-	-	-	-	-
At 1 January 2022	514,415	-	(2,674,360)	9,931,307	7,771,362
Comprehensive income for the year					
Profit for the year	-	-	-	496,311	496,311
Fair value movements	-	-	(4,560,199)	-	(4,560,199)
Total comprehensive income for the year	-	-	(4,560,199)	496,311	(4,063,888)
Contributions by and distributions to owners					
Shares issued during the year	400	4,279,232	-	-	4,279,632
Total transactions with owners	400	4,279,232	-	-	4,279,632
At 31 December 2022	514,815	4,279,232	(7,234,559)	10,427,618	7,987,106

SUPERSTRUCT UK FESTIVALS LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1. General information

Superstruct UK Festivals Ltd (the "company") is incorporated and domiciled in the United Kingdom under the Companies Act 2006, and registered in England and Wales. The company is a private company limited by shares. The address of the company's registered office is c/o Superstruct Entertainment Ltd, 364-366 Kensington High Street, London, W14 8NS.

The principal activity of the company continued to be that of a holding company.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 3).

The company's functional and presentational currency is pound sterling.

The following principal accounting policies have been applied:

2.2 Financial Reporting Standard 101 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64(o)(ii), B64(p), B64(q)(ii), B66 and B67 of IFRS 3 Business Combinations
- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
 - paragraph 79(a)(iv) of IAS 1;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- 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

This information is included in the consolidated financial statements of Superstruct Entertainment Limited as at 31 December 2022 and these financial statements may be obtained from 7th Floor, 364-366 Kensington High Street, London, W14 8NS, United Kingdom.

2.3 Exemption from preparing consolidated financial statements

The company is a parent company that is also a subsidiary included in the consolidated financial statements of its immediate parent undertaking. The company has taken advantage of the exemption conferred by s400 of the Companies Act 2006 not to produce consolidated financial statements as it is included in the UK consolidated accounts of Superstruct Entertainment Limited.

SUPERSTRUCT UK FESTIVALS LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.4 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is pound sterling.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the statement of comprehensive income within 'administrative expenses'. All other foreign exchange gains and losses are presented in the Statement of comprehensive income within 'administrative expenses'.

2.5 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.6 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount.

2.7 Dividend income

Dividend income is recognised in the period in which the related dividends from the investments are actually received.

2.8 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

SUPERSTRUCT UK FESTIVALS LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.9 Taxation

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.10 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Fixtures and fittings	- 4 years
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The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.11 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.12 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.13 Cash

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

SUPERSTRUCT UK FESTIVALS LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.14 Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.15 Financial instruments

The company recognises financial instruments when it becomes a party to the contractual arrangements of the instrument. Financial instruments are de-recognised when they are discharged or when the contractual terms expire. The company's accounting policies in respect of financial instruments transactions are explained below:

Financial assets and financial liabilities are initially measured at fair value.

Financial assets

The company classifies all of its financial assets as loans and receivables.

Fair value through profit or loss

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of contractual monetary assets. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the company will be unable to collect all of the amounts due under the terms receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable. For trade receivables, which are reported net, such provisions are recorded in a separate allowance account with the loss being recognised within administrative expenses in the statement of comprehensive income. On confirmation that the trade receivable will not be collected, the gross carrying value of the asset is written off against the associated provision.

Financial liabilities

The company classifies all of its financial liabilities as liabilities at amortised cost.

At amortised cost

Financial liabilities at amortised cost including bank borrowings are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried into the balance sheet.

SUPERSTRUCT UK FESTIVALS LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.16 Call and put options

Valuation of call and put options

When the company enters into call or put options to purchase equity, the fair value of the option is recorded on the balance sheet. Any subsequent movement in the fair value of the option is taken to the statement of comprehensive income.

Call and put option reserve

The call and put option reserve, included within other reserves, is the estimated cost of settling the company's call and put options for non-controlling interest shareholdings.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the company's accounting policies and the reported amount of assets, liabilities, income, expenses and other disclosures. The estimates and underlying assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. The estimates and underlying assumptions are reviewed on an ongoing basis.

Changes in accounting estimates may be necessary if there are any changes in the circumstances on which the estimate was based, or as a result of new information or further information. Such changes are recognised in the period in which the estimate is revised.

Key assumptions about the future and key sources of estimation uncertainty that have a risk of causing a material adjustment to the carrying value of assets and liabilities over the next year are set out below.

Income taxes

Estimates may be required in determining the level of current and deferred income tax assets and liabilities, which the directors believe are reasonable and adequately recognise any income tax related uncertainties. Various factors may have favourable or adverse effects on the income tax assets or liabilities. These include changes in tax legislation, tax rates and allowances, future levels of spending, the company's level of future earnings and estimated future taxable profits.

Impairment testing

The company is required to determine whether there are any indicators of impairment of the company's investments. Factors taken into consideration in reaching such a decision include the economic viability, expected future performance, and events or changes in circumstances of the investee company.

Valuation of call and put options

The valuation of call and put options require judgements by management that relate to the intrinsic value of the options. The present value of the option depends on a number of factors, including future performance and the discount rate. Management estimates these factors in determining the option value in the balance sheet. The assumptions reflect historical experience as well as current trends.

SUPERSTRUCT UK FESTIVALS LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

4. Auditor's remuneration

During the year, the company obtained the following services from the company's auditor:

	2022 £	2021 £
Fees payable to the company's auditor for the audit of the company's financial statements	5,618	5,250

The company has taken advantage of the exemption not to disclose amounts paid for non-audit services as these are disclosed in the consolidated accounts of the parent company.

5. Employees

The company has no employees other than the directors, who did not receive any remuneration (2021 - £NIL).

6. Fair value movements

When the company enters into call or put options to purchase equity, the fair value of the option is recorded on the balance sheet. Any subsequent movement in the fair value of the option is taken to the statement of comprehensive income. The loss on fair value movements of the options in the year was £4,560,199 (2021 - gain of £207,195).

7. Income from shares in group undertakings

This balance is made up of dividends from subsidiaries.

8. Interest receivable and similar income

	2022 £	2021 £
Interest receivable from group companies	46,929	72,528

9. Interest payable and similar charges

	2022 £	2021 £
Other loan interest payable	446,780	-

SUPERSTRUCT UK FESTIVALS LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

10. Taxation

	2022 £	2021 £
Corporation tax		
Current tax on profits for the year	-	182
Total current tax	-	182
Taxation on profit on ordinary activities	-	182

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2021 - lower than) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

	2022 £	2021 £
Profit on ordinary activities before tax	496,311	753,080
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	94,299	182,452
Effects of:		
Fixed asset differences	(401)	-
Expenses not deductible for tax purposes	1,280,835	65,258
Income not taxable for tax purposes	(73,060)	(46,207)
Adjustments to brought forward values	77,686	(37,177)
Group income	(1,420,690)	(199,120)
Deferred tax not recognised	14,195	34,976
Remeasurement of deferred tax for changes in tax rates	(14,945)	-
Group relief	42,081	-
Total tax charge for the year	-	182

Factors that may affect future tax charges

The tax rates used to measure the deferred tax assets and liabilities recorded in these financial statements are the tax rates in the period in which we expect the deferred tax assets or liabilities to crystallise.

SUPERSTRUCT UK FESTIVALS LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

11. Tangible fixed assets

	Fixtures and fittings £	Total £
Cost or valuation		
Additions	7,040	7,040
At 31 December 2022	7,040	7,040
Depreciation		
Charge for the year	147	147
At 31 December 2022	147	147
Net book value		
At 31 December 2022	6,893	6,893
At 31 December 2021	-	-

SUPERSTRUCT UK FESTIVALS LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

12. Investments

	Investments in subsidiary companies £
Cost	
At 1 January 2022	33,676,016
Additions	24,191,661
At 31 December 2022	57,867,677
Impairment	
At 1 January 2022	11,381,325
Charge for the year	5,833,888
At 31 December 2022	17,215,213
Net book value	
At 31 December 2022	40,652,464
At 31 December 2021	22,294,691

During the year, a group reconstruction was undertaken, whereby Superstruct UK Festivals Ltd acquired Superstruct Entertainment Limited's investment in Tramlines Events Limited. This business combination was undertaken on a share for share basis, whereby the ultimate shareholders remained the same, the respective rights of each shareholder, relative to others, remained unchanged and no other interest in the net assets of the group was altered by the transfer of ownership. The investment value in Tramlines Events Limited has been transferred from Superstruct Entertainment Limited to Superstruct UK Festivals Ltd on a nil gain/nil loss basis. The directors have elected, under section 615 of the Companies Act 2006, to record the investment as its previous carrying value immediately prior to the transaction, being £4,279,232, rather than fair value.

On 31 March 2022, Superstruct UK Festivals Ltd acquired the remaining 40% share in Superstruct Kendal Limited. On 14 December 2022, Superstruct UK Festivals Ltd acquired 100% of Lakeside Creatives Limited from Superstruct Kendal Limited. Included in income from group undertakings is a dividend from Superstruct Kendal Limited of value £ 5,183,828 as part of this restructuring. Following these business combinations, the respective rights of each shareholder, relative to others, remained unchanged and no other interest in the net assets of the group was altered by the transfer of ownership. The investment value in Lakeside Creatives Limited has been transferred from Superstruct Kendal Limited to Superstruct UK Festivals Ltd on a nil gain/nil loss basis.

On 22 December 2022, Superstruct UK Festivals Ltd acquired Superstruct UK Investco Limited's 20% share of The Hideout Festival LLP, by means of a dividend in specie. The investment value in Superstruct UK Investco of £1,775,379 has been transferred to the investment value of The Hideout Festival LLP on a nil/gain nil loss basis.

SUPERSTRUCT UK FESTIVALS LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

12. Investments (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Country of registration	Class of shares	Holding
Superstruct Kendal Limited****	England and Wales	Ordinary	100%
Superstruct UK Investco Limited****	England and Wales	Ordinary	100%
Moving Music Limited	England and Wales	Ordinary	75%
Boardmasters Limited	England and Wales	Ordinary	100%
Lock 'N' Load Events Limited	England and Wales	Ordinary	100%
Eleven Limited*	England and Wales	Ordinary	100%
Lakeside Creatives Limited*	England and Wales	Ordinary	100%
The Hideout Festival LLP**	England and Wales	N/A	80%
Victorious Festivals Limited	England and Wales	Ordinary	66%
Boardmasters II Limited*/****	England and Wales	Ordinary	100%
From The Fields Ltd	England and Wales	Ordinary	100%
FTF2 Ltd*	England and Wales	Ordinary	100%
FTF Touring Ltd*	England and Wales	Ordinary	100%
FTF Partnerships Ltd*	England and Wales	Ordinary	100%
Discover the Bluedot Limited	England and Wales	Ordinary	100%
Y Not Festivals UK Limited	England and Wales	Ordinary	100%
Vision Nine Holdings Limited	England and Wales	Ordinary	61%
Vision Nine Entertainment Group Limited*	England and Wales	Ordinary	61%
Vision Nine HQ Limited*	England and Wales	Ordinary	61%
Vision Nine Events Limited*/****	England and Wales	Ordinary	61%
NASS Festival Limited*	England and Wales	Ordinary	61%
Sports Vision (International) Limited*/****	England and Wales	Ordinary	61%
BM Management Limited*	England and Wales	Ordinary	61%
Vision Nine Limited*/****	England and Wales	Ordinary	61%
Vision Nine Management Limited*/****	England and Wales	Ordinary	61%
Freeze London Limited*	England and Wales	Ordinary	61%
Get on Vision Limited***	England and Wales	Ordinary	48%
Arc Live Limited***/*	England and Wales	Ordinary	31%

*Held indirectly.

**45% of the membership interest is held directly and 35% is held indirectly in The Hideout Festival LLP.

***By virtue of majority shareholdings in the intermediary companies, Superstruct UK Festivals Ltd has control over this entity.

**** This company was dissolved post year end. Superstruct Kendal Ltd, Superstruct UK Investco Ltd, Vision Nine Events Limited, Arc Live Limited, Vision Nine Management Limited, Sports Vision (International) Limited and Vision Nine Limited were dissolved on 28 March 2023. Boardmasters II Limited was dissolved on 04 April 2023.

The registered office of Get on Vision Limited, Arc Live Limited and Freeze London Limited is 37 Shelton Street, London, WC2H 9HN.

The registered office of Y Not Festivals UK Limited is Whitehall Farm, Hales Green, Yeaveley, Ashbourne, DE6 2DS.

The registered office of all other subsidiaries is c/o Superstruct Entertainment Limited, 364-366 Kensington High Street, London, W14 8NS.

SUPERSTRUCT UK FESTIVALS LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

13. Debtors

	2022	2021
	£	£
Trade debtors	-	4,200
Amounts owed by group undertakings	4,854,979	6,925,908
Other debtors	10	1,555
	<u>4,854,989</u>	<u>6,931,663</u>

All debtors are measured at undiscounted amount receivable. Balances with wholly owned subsidiaries are unsecured, repayable on demand and carry interest of between 0% - 9% per annum.

14. Cash

	2022	2021
	£	£
Cash at bank and in hand	<u>761,321</u>	<u>1,068,073</u>

15. Creditors: amounts falling due within one year

	2022	2021
	£	£
Amounts owed to group undertakings	27,987,939	19,414,944
Other creditors	1,137,112	-
Accruals and deferred income	27,479	433,761
	<u>29,152,530</u>	<u>19,848,705</u>

Balances with wholly owned subsidiaries are unsecured, repayable on demand and carry interest of 6% per annum.

All creditor balances are measured at undiscounted amount payable.

16. Creditors: Amounts falling due after more than one year

	2022	2021
	£	£
Other loans	1,901,472	-
Other creditors	7,234,559	2,674,360
	<u>9,136,031</u>	<u>2,674,360</u>

Call and put options

The company has entered in to call and put options to purchase subsidiary company non-controlling interest shareholdings for Victorious Festivals Limited. The gross liability of these options at 31 December 2022 for Victorious Festivals Limited was £7,234,559 (2021 - £2,674,360) and they are included within other creditors.

SUPERSTRUCT UK FESTIVALS LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

17. Loans

Analysis of the maturity of loans is given below:

	2022 £	2021 £
Amounts falling due after more than 5 years		
Other loans	1,901,472	-

18. Share capital

	2022 £	2021 £
Allotted, called up and fully paid		
51,481,518 ordinary shares of £0.01 each	514,815	514,415

There is a single class of ordinary shares. There are no restrictions on the distribution of dividends and repayment of capital.

On 22 December 2022 and in order to effect a group reorganisation, the company issued 40,000 ordinary shares of 1 pence each. The company received consideration for the issue of these securities in the form of the entire issued share capital of Tramlines Events Limited. Each shareholder's respective rights remained the same under this share for share arrangement. The directors have elected, under section 611 of the Companies Act 2006, to apply group reconstruction relief and not recognise the full share premium that would otherwise have resulted on this share issue. Share premium on this transaction has been restricted to £4,279,232 based upon the aggregate book value recorded by the transferor of each security, rather than the fair value.

19. Reserves

Share premium account

Share premium represents amounts subscribed for share capital in excess of nominal value less related costs of shares issued.

Other reserves

The other reserve is a non distributable reserve which includes fair value movements on call and put options and contingent consideration.

Profit and loss account

The profit and loss account is a distributable reserve arising from accumulating the profits and losses to date.

20. Contingent liabilities

The company has a fixed and floating charge over its present and future assets.

SUPERSTRUCT UK FESTIVALS LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

21. Prior year adjustment

In the prior year, the fair value movements on call and put options were recognised in profit and loss and then transferred from the profit and loss reserve to other reserves. An adjustment has been posted to record the income in other comprehensive income. The gain has been recorded correctly in other reserves.

22. Related party transactions

Transactions with directors of the company have been disclosed in note 5.

The company's related party transactions with wholly owned subsidiaries have not been disclosed. This is in accordance with the exemption allowed under FRS101 from the requirements of IAS 24 Related Party Disclosures, whereby related party transactions between two or more members of a group do not have to be disclosed, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

During the year the company traded with its parent entity, and fellow subsidiaries. All transactions were in the normal course of business.

At 31 December 2022 the company had an outstanding loan payable to Superstruct Holding S.a.r.l., a company under common control, of £2,436,441 (31 December 2021 - £NIL). The loan bears interest at 7.25% plus LIBOR and is repayable on demand.

At 31 December 2022 the company had an outstanding loan payable to Superstruct Holding S.a.r.l., a company under common control, of £9,826,880 (31 December 2021 - £NIL). The loan bears interest at 6.25% per annum and is repayable on demand.

The company has the following loans payable to or receivable from majority-owned subsidiaries. All of the below loans bear no interest and are repayable on demand:

- £60,471 (2021 - £60,741) receivable from Moving Music Limited.
- £43,125 (2021 - £NIL) payable to Vision Nine Entertainment Group Limited.
- £754,004 (2021 - £NIL) receivable from Vision Nine HQ Limited
- £524,758 (2021 - £NIL) receivable from Nass Festival Limited

At 31 December 2022 the company had an outstanding loan receivable from The Hideout Festival LLP, a majority-owned subsidiary, of £384,319 (2021 - £455,664). The loan bears interest at 9% per annum and is repayable on demand.

During the year, the company received dividends of £1,572,000 (2021 - £1,048,000) from Victorious Festivals Limited, a majority owned subsidiary.

During the year the company recognised a profit share of £337,598 (2021 - loss of £233,161) due from The Hideout Festival LLP, in which it has a 65% share. At the balance sheet date, £86,029 was due to the Hideout Festival LLP (2021 - £423,627).

In the opinion of the directors, there were no other related party transactions during the year.

SUPERSTRUCT UK FESTIVALS LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

23. Post balance sheet events

Subsequent to the balance sheet date, the company made the following acquisitions:

- 67.7% of the share capital of Mighty Hoopla Ltd (46.7% directly and 21% indirectly via its acquisition of Mr November)
- 70% of the share capital of Waxarch Holdings Ltd
- 70% of the share capital of SBH Events Holdings Ltd
- 70% of the share capital of Mr November Ltd
- 70% of the share capital of X The Tracks Ltd
- 100% of the share capital of Truck Festivals UK Ltd (via intra-group transfer)
- 85% of the share capital of Lost Ventures Ltd (via intra-group transfer)

Subsequent to the balance sheet date, the company issued two additional shares.

24. Controlling party

At 31 December 2022, the directors regard Superstruct Entertainment Limited, a company incorporated in the United Kingdom and registered in England and Wales, as the immediate parent company.

As at 31 December 2022, the directors regard Sinisa Krnic as the ultimate controlling party.

The largest and smallest group in which the results of the company are consolidated is that headed by Superstruct Entertainment Limited, the immediate parent company which is incorporated in the United Kingdom. The consolidated financial statements of this company are available to the public and may be obtained from the registered address, 7th Floor, 364-366 Kensington High Street, London, W14 8NS, United Kingdom.