

SUPERSTRUCT UK FESTIVALS LTD

AUDITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2019

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SUPERSTRUCT UK FESTIVALS LTD

COMPANY INFORMATION

Directors	Roderik August Schlosser Sinisa Krnic Daniel Zwicky
Registered number	08908975
Registered office	1 Red Lion Court London EC4A 3EB
Independent auditor	SRLV Audit Limited 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 PERIOD ENDED 31 DECEMBER 2019

Introduction

The Directors present their Strategic report for Superstruct UK Festivals Ltd (the "Company") for the period ended 31 December 2019.

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.

As at 31 December 2019, the Company recognised a gain on the fair value of options of £932,214 (March 2019 - £1,328,869) following a revaluation of the gross liability.

Principal risks and uncertainties

The emergence and spread of the COVID-19 virus was alerted to the World Health Organisation (WHO) on 31 December 2019. The extent and spread of the virus in the UK remains an unknown. Whilst the UK is in Lockdown, the directors are constantly monitoring the developments and guidance as released by the UK government. The company has mitigated the risk by assessing the resources available and obtained financial support from its parent company for at least 12 months from the date of the financial statements.

Financial 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 and signed on its behalf.



Daniel Zwicky
Director

28/10/2020

SUPERSTRUCT UK FESTIVALS LTD

DIRECTORS' REPORT FOR THE PERIOD ENDED 31 DECEMBER 2019

The Directors present their report and the financial statements for the period ended 31 December 2019.

Results and dividends

The profit for the period, after taxation, amounted to £4,955,697 (31 March 2019 - loss £14,286,885).

The Directors declared and paid a dividend of £26,738,953 (31 March 2019 - £NIL).

Directors

The Directors who served during the period were:

Ian Lawrence Hanson (resigned 4 April 2019)

Darren David Singer (resigned 4 April 2019)

Roderik August Schlosser (appointed 4 April 2019)

Sinisa Krnic (appointed 4 April 2019)

Daniel Zwicky (appointed 4 April 2019)

Future developments

The Directors have received suitable representations from the parent undertaking that it will continue to provide sufficient financial support to enable the Company to continue to trade for the foreseeable future. For this reason they continue to adopt the going concern basis of accounting in preparing these financial statements. The Directors continue to explore a number of opportunities 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 by the Company are discussed in the Strategic report.

Disclosure of information to auditors

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

- so far as the Directors are aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the Directors have taken all the steps that ought to have been taken as Directors in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Post balance sheet events

The COVID-19 pandemic which developed after the balance sheet date has meant that any events scheduled for 2020 have been cancelled. This makes it unlikely that Superstruct UK Festivals will be in a position to pay dividends in 2020. This is considered a non-adjusting post balance sheet event and so no adjustment has been made to the 2019 financial statements in this respect. The financial impact of this event cannot be reliably estimated.


SUPERSTRUCT UK FESTIVALS LTD

**DIRECTORS' REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2019**

Auditors

Under section 487(2) of the Companies Act 2006, SRLV Audit Limited will be deemed to have been reappointed as auditors 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 and signed on its behalf.



Daniel Zwicky
Director

28/10/2020

SUPERSTRUCT UK FESTIVALS LTD

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE PERIOD ENDED 31 DECEMBER 2019

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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 AUDITORS' 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 period ended 31 December 2019, 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'.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2019 and of its profit for the period 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 Auditors' 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.

Material uncertainty related to going concern

We draw attention to note 2.4 in the financial statements, which indicates that the impact of the uncertainty surrounding the COVID-19 virus on the business may cast significant doubt on the Company's ability to continue as a going concern. As stated in note 2.4, these events or conditions, along with the other matters as set forth in note 2.4, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' report thereon. 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.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

SUPERSTRUCT UK FESTIVALS LTD

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SUPERSTRUCT UK FESTIVALS LTD

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 period 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 on page 4, 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.

Auditors' responsibilities for the audit of the financial statements

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

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

SUPERSTRUCT UK FESTIVALS LTD

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SUPERSTRUCT UK FESTIVALS LTD

Use of our report

This report is made solely to the Company's members 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 Auditors' 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 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

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

11/11/2020

SUPERSTRUCT UK FESTIVALS LTD

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 DECEMBER 2019**

		Period ended 31 December 2019 £	As restated Year ended 31 March 2019 £
	Note		
Administrative expenses		(47,322)	(2,931,159)
Other operating income	4	50,000	792,660
Fair value movements	8	2,127,329	1,328,869
Operating profit/(loss)	5	2,130,007	(809,630)
Income from shares in group undertakings		2,825,770	2,750,457
Income from participating interests		-	712,134
Impairment on investments		-	(17,207,909)
Interest receivable and similar income	9	-	80,993
Interest payable and similar charges	10	-	(5,146)
Profit/(loss) before tax		4,955,777	(14,479,101)
Tax on profit/(loss)	11	(80)	192,216
Profit/(loss) for the financial period		4,955,697	(14,286,885)

There was no other comprehensive income for the period ended 31 December 2019 (year ended 31 March 2019 - £NIL).

The notes on pages 11 to 22 form part of these financial statements.

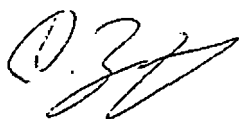
SUPERSTRUCT UK FESTIVALS LTD
REGISTERED NUMBER:08908975

BALANCE SHEET
AS AT 31 DECEMBER 2019

	Note	31 December 2019 £	Restated 31 March 2019 £
Fixed assets			
Fixed asset investments	12	24,294,691	33,155,797
		<u>24,294,691</u>	<u>33,155,797</u>
Current assets			
Debtors: amounts falling due within one year	13	8,474,878	11,673,527
Cash at bank and in hand	14	1,094,072	1,586,475
		<u>9,568,950</u>	<u>13,260,002</u>
Creditors: amounts falling due within one year	15	(24,173,268)	(14,942,170)
Net current liabilities		<u>(14,604,318)</u>	<u>(1,682,168)</u>
Total assets less current liabilities		<u>9,690,373</u>	<u>31,473,629</u>
Net assets		<u><u>9,690,373</u></u>	<u><u>31,473,629</u></u>
Capital and reserves			
Called up share capital	16	514,415	51,441,518
Other reserves	17	(741,184)	(2,866,231)
Profit and loss account	17	9,917,142	(17,101,658)
		<u>9,690,373</u>	<u>31,473,629</u>

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

Daniel Zwicky
Director



The notes on pages 11 to 22 form part of these financial statements.

28/10/2020

SUPERSTRUCT UK FESTIVALS LTD

**STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2019**

	Called up share capital £	Other reserves £	Profit and loss account £	Total equity £
At 1 April 2018	51,441,518	(4,195,100)	(1,485,904)	45,760,514
Comprehensive income for the year				
Loss for the year	-	-	(14,286,885)	(14,286,885)
Total comprehensive income for the year	-	-	(14,286,885)	(14,286,885)
Transfer to/from profit and loss account	-	1,328,869	(1,328,869)	-
Total transactions with owners	-	1,328,869	(1,328,869)	-
At 1 April 2019	51,441,518	(2,866,231)	(17,101,658)	31,473,629
Comprehensive income for the period				
Profit for the period	-	-	4,955,697	4,955,697
Total comprehensive income for the period	-	-	4,955,697	4,955,697
Dividends: Equity capital	-	-	(26,738,953)	(26,738,953)
Transfer to/from profit and loss account	-	2,125,047	(2,125,047)	-
Capital reduction	(50,927,103)	-	50,927,103	-
Total transactions with owners	(50,927,103)	2,125,047	22,063,103	(26,738,953)
At 31 December 2019	514,415	(741,184)	9,917,142	9,690,373

SUPERSTRUCT UK FESTIVALS LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2019

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 shown on the first page of this report.

On 18 December 2019, the Directors approved the decision to shorten the accounting reference date of the Company from 31 March 2020 to 31 December 2019 in order to align with the group.

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'.

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 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
- the requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

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 established under the law of an EEA state and is therefore exempt from the requirement to prepare consolidated financial statements under section 400 of the Companies Act 2006.

SUPERSTRUCT UK FESTIVALS LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.4 Going concern

The Directors are assessing, on a daily basis, the impact of the significant uncertainty arising from the COVID-19 virus. Whilst the Directors appreciate there is significant uncertainty surrounding the future economic climate and are expecting a slowdown, at the period end and as at the date of signature of the financial statements, the Company's activities remain positive with limited ongoing exposure. The Directors have received support from the directors of a parent undertaking to provide such financial assistance as necessary for at least 12 months from the date of signature of the financial statements. On this basis, the Directors consider it appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments that would result from a withdrawal of the ultimate parent company's support.

2.5 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'.

2.6 Interest income

Interest income is recognised in the Statement of comprehensive income using the effective interest method.

2.7 Finance costs

Finance costs are charged to the Statement of comprehensive income 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.

2.8 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

SUPERSTRUCT UK FESTIVALS LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.9 Taxation

Tax is recognised in the Statement of comprehensive income 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 corporation tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

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 except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.10 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.11 Debtors

Short term debtors are measured at transaction price, less any impairment.

2.12 Cash

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

2.13 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.

SUPERSTRUCT UK FESTIVALS LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.14 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

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 asset. 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.

2.15 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.

Put option reserve

The put option reserve is the estimated cost of settling the Company's put options for non-controlling interest shareholdings.

SUPERSTRUCT UK FESTIVALS LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.16 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

2.17 Prior year adjustment

The Directors have identified that the fair value movement on put and call options had not been correctly recognised in the Statement of comprehensive income in the prior year. It was also identified that the transfer to other reserves, in relation to the movement on the put and call option, had not been correctly recognised in the Balance sheet. The comparatives have been restated accordingly. The effect of the restatement is an increase of £916,623 in the fair value movement recorded in the Statement of comprehensive income for the year ended 31 March 2019. Additionally, other reserves have been increased by £2,264,499 and the profit and loss account has been decreased by £2,264,499 at 31 March 2019. There is no change to the total equity value.

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 PERIOD ENDED 31 DECEMBER 2019

4. Other operating income

	Period ended 31 December 2019 £	Year ended 31 March 2019 £
Recharge income	20,000	-
Sponsorship income	30,000	792,660
	<u>50,000</u>	<u>792,660</u>

5. Operating profit/(loss)

The operating profit/(loss) is stated after charging:

	Period ended 31 December 2019 £	Year ended 31 March 2019 £
Exchange differences	-	930
Defined contribution pension cost	-	35,690
	<u>-</u>	<u>35,690</u>

6. Auditors' remuneration

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

7. Employees

Staff costs were as follows:

	Period ended 31 December 2019 £	Year ended 31 March 2019 £
Wages and salaries	-	1,626,343
Social security costs	-	169,916
Cost of defined contribution scheme	-	35,690
	<u>-</u>	<u>1,831,949</u>

The Company has no employees other than the Directors, who did not receive any remuneration (2019 - £NIL).

SUPERSTRUCT UK FESTIVALS LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2019

8. Fair value movements

When the Company enters in to 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 profit and loss. The gain on the fair value of options in the year is £932,214 (31 March 2019 - £1,328,869).

During the year, there was a change in the fair value of contingent consideration which has resulted in a fair value gain of £1,192,833 (31 March 2019 - £NIL).

9. Interest receivable

	Period ended 31 December 2019 £	Year ended 31 March 2019 £
Interest receivable from group companies	-	80,993

10. Interest payable and similar expenses

	Period ended 31 December 2019 £	Year ended 31 March 2019 £
Bank interest payable	-	5,146

11. Taxation

	Period ended 31 December 2019 £	Year ended 31 March 2019 £
Corporation tax		
Current tax on profits for the year	80	(195,148)
Adjustments in respect of previous periods	-	2,932
Total current tax	80	(192,216)
Taxation on profit/(loss) on ordinary activities	80	(192,216)

SUPERSTRUCT UK FESTIVALS LTD

**NOTES TO THE FINANCIAL STATEMENTS
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11. Taxation (continued)

Factors affecting tax charge for the period/year

The tax assessed for the period/year is lower than (31 March 2019 - the same as) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	Period ended 31 December 2019 £	Year ended 31 March 2019 £
Profit/(loss) on ordinary activities before tax	4,955,777	(14,479,101)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	941,598	(2,925,188)
Effects of:		
Expenses not deductible for tax purposes	2,192	(17,104)
Impairment not deductible for tax purposes	(468,073)	3,269,503
Adjustments to tax charge in respect of prior periods	19,896	2,932
Dividends from UK companies	(476,854)	(657,892)
Share of associate profits	(11,973)	135,533
Adjust opening deferred tax to average rate of 19.00%	(706)	-
Deferred tax not recognised	(6,000)	-
Total tax charge for the period/year	80	(192,216)

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 PERIOD ENDED 31 DECEMBER 2019

12. Investments

	Investments in subsidiary companies £
Cost	
At 1 April 2019	50,363,705
Additions	1,275,000
Disposals	(18,073,240)
At 31 December 2019	33,565,465
Impairment	
At 1 April 2019	17,207,909
Impairment on disposals	(7,937,135)
At 31 December 2019	9,270,774
Net book value	
At 31 December 2019	24,294,691
At 31 March 2019	33,155,796

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Country of incorporation	Class of shares	Holding
Superstruct Kendal Limited	England and Wales	Ordinary	60%
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	75%
Truck Festivals UK Limited	England and Wales	Ordinary	100%
Tramlines Enterprises Limited	England and Wales	Ordinary	100%
Tramlines Events Limited	England and Wales	Ordinary	100%
Victorious Festivals Limited	England and Wales	Ordinary	66%
Boardmasters II Limited	England and Wales	Ordinary	100%
Eleven Limited	England and Wales	Ordinary	100%
Lakeside Creatives Limited	England and Wales	Ordinary	60%
The Hideout Festival LLP*	England and Wales	Capital	80%

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

The registered address of the subsidiaries is 1 Red Lion Court, London, EC2A 3EB.

SUPERSTRUCT UK FESTIVALS LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2019**

13. Debtors

	31 December 2019 £	31 March 2019 £
Trade debtors	40,200	301,112
Amounts owed by group undertakings	7,984,137	10,548,381
Other debtors	45,757	449,400
Prepayments and accrued income	404,784	374,634
	<u>8,474,878</u>	<u>11,673,527</u>

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

All debtor balances are measured at undiscounted amount receivable.

14. Cash

	31 December 2019 £	31 March 2019 £
Cash	<u>1,094,072</u>	<u>1,586,475</u>

15. Creditors: amounts falling due within one year

	31 December 2019 £	31 March 2019 £
Trade creditors	23,886	328,299
Amounts owed to group undertakings	22,168,644	9,187,655
Other creditors	1,963,156	2,881,280
Accruals and deferred income	17,582	2,544,936
	<u>24,173,268</u>	<u>14,942,170</u>

Loans 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.

Call and put options

The Company has entered in to call and put options to purchase subsidiary company non-controlling interest shareholdings for Lock 'N' Load Events Limited and Victorious Festivals Limited. The gross liability of these options at 31 December 2019 was £1,934,017 (March 2019 - £2,866,231).

SUPERSTRUCT UK FESTIVALS LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2019

16. Share capital

	31 December 2019 £	31 March 2019 £
Allotted, called up and fully paid		
51,441,518 Ordinary shares of £0.01 (March 2019 - £1) each	514,415	51,441,518

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

During the period, the Company reduced the nominal value of its ordinary shares from £1 to £0.01 each by way of reduction in capital.

17. Reserves

Other reserves

The other reserve is a non distributable reserve which includes fair value movements on Put & Call 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.

18. Related party transactions

Transactions with Directors of the Company have been disclosed in Note 7.

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 2019 the Company had an outstanding loan receivable from Lock N Load Events Limited, a majority owned subsidiary, of £650,195 (31 March 2019 - £650,195).

At 31 December 2019 the Company had an outstanding loan receivable from Superstruct Kendal Limited, a majority owned entity, of £20,372 (31 March 2019 - £20,372).

During the year the Company recognised a profit share of £316,011 (March 2019 - £712,134) due from The Hideout Festival LLP, of which £316,011 was accrued as at year end.

The loans to and from subsidiaries are unsecured, repayable on demand and carry interest of 6% per annum.

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

19. Post balance sheet events

The COVID-19 pandemic which developed after the balance sheet date has meant that any events scheduled for 2020 have been cancelled. This makes it unlikely that Superstruct UK Festival will be in a position to pay dividends in 2020. This is considered a non-adjusting post balance sheet event and so no adjustment has been made to the 2019 financial statements in this respect. The financial impact of this event cannot be reliably estimated.

SUPERSTRUCT UK FESTIVALS LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2019

20. Controlling party

At 31 December 2019, the Directors regard Superstruct Entertainment Limited, a company incorporated in Great Britain and registered in England and Wales, as the immediate parent company.

On 4 April 2019, Global Radio Group Limited ceased control of the Company. As at 31 December 2019, the Directors regard Superstruct Holding S.A.R.L. as the ultimate controlling company.

The largest and smallest group in which the results of the Company are consolidated is that headed by Superstruct Entertainment Limited, the ultimate parent company which is incorporated in Great Britain. The consolidated financial statements of this company are available to the public and may be obtained from the registered address, 1 Red Lion Court, London EC4A 3EB.