

Company Registration No. 08960979 (England and Wales)

STROMA GROUP LIMITED

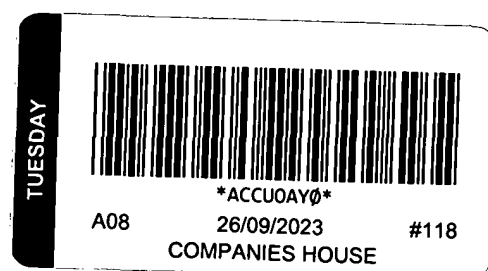
FINANCIAL STATEMENTS

FOR THE PERIOD ENDED

31 DECEMBER 2022

tc accounts · tax · legal · financial planning

6 Queen Street
Leeds
West Yorkshire
LS1 2TW



STROMA GROUP LIMITED

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STROMA GROUP LIMITED

COMPANY INFORMATION

Directors	Mr P Barry Mr D G Harrison Ms Z Dickinson	(Appointed 31 March 2023)
Secretary	Mr T Gray	
Company number	08960979	
Registered office	6 Silkwood Business Park Fryers Way Ossett WF5 9TJ	
Auditor	TC Group 6 Queen Street Leeds West Yorkshire LS1 2TW	

STROMA GROUP LIMITED

STRATEGIC REPORT

FOR THE PERIOD ENDED 31 DECEMBER 2022

The directors present the strategic report for the period ended 31 December 2022.

Business review

The company was an intermediate holding company within the group headed by Puma Topco Limited throughout the period and provided central management services to various companies within the group.

Key performance indicators and principal risks and uncertainties

The directors do not believe an analysis of Key Performance Indicators is required to aid the reader in analysing the results of the company. The company operates with its ultimate holding company to minimise all financial risk. Given the nature of the company as an intermediate holding company, the directors do not believe it is exposed to any significant risks and uncertainties except in relation to those issues that affect the value of its investments in subsidiaries and intra-group receivables. These risks are managed by the individual subsidiaries and the ultimate holding company.

Promoting the success of the company

The directors consider, both individually and collectively, that they have acted to promote the success of the company for the benefit of its members as a whole with regard to the stakeholders and matters set out in S172 (1) (a-f) of the Companies Act 2006.

Decisions are made for the long-term benefit of the group and the business is operated within budgetary controls and in line with targets.

On behalf of the board

DocuSigned by:

DDE2DE5F3483402...
Mr D G Harrison
Director

22 September 2023

STROMA GROUP LIMITED

DIRECTORS' REPORT

FOR THE PERIOD ENDED 31 DECEMBER 2022

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

Principal activities

The principal activity of the company continued to be that of an intermediate holding company providing central management services to its subsidiary undertakings.

Results and dividends

The results for the period are set out on page 8.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Directors

The directors who held office during the period and up to the date of signature of the financial statements were as follows:

Mr S J Horrocks	(Resigned 31 March 2023)
Mr P Barry	
Mr D G Harrison	
Mr N J Bleakley	(Resigned 31 May 2022)
Mr R J Dean	(Resigned 10 May 2022)
Ms Z Dickinson	(Appointed 31 March 2023)

Auditor

The auditor, TC Group, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Energy and carbon report

As the company has not consumed more than 40,000 kWh of energy in this reporting period, it qualifies as a low energy user under these regulations and is not required to report on its emissions, energy consumption or energy efficiency activities.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board

DocuSigned by:

DDE2DES F3483402...
Mr D G Harrison
Director

22 September 2023

STROMA GROUP LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE PERIOD ENDED 31 DECEMBER 2022

The directors are responsible for preparing the annual 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing 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 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.

STROMA GROUP LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF STROMA GROUP LIMITED

Opinion

We have audited the financial statements of Stroma Group Limited (the 'company') for the period ended 31 December 2022 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (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 loss 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 *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 UK, including the FRC'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.

STROMA GROUP LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF STROMA GROUP LIMITED

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our 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 and the directors' report.

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

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.

STROMA GROUP LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF STROMA GROUP LIMITED

Extent to which the audit was capable of detecting irregularities, including fraud

The objectives of our audit, in respect of fraud, are: to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses; and to respond appropriately to fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and its management.

Our approach was as follows:

- We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, and through discussion with the directors and other management (as required by auditing standards), and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations;
- We considered the legal and regulatory frameworks directly applicable to the financial statements reporting framework (FRS 102 and the Companies Act 2006), and relevant tax compliance regulations in the UK;
- We considered the nature of the industry, the control environment and business performance, including key drivers for management's remuneration;
- We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit;
- We considered the procedures and controls that the company has established to address risks identified, or that otherwise prevent, deter and detect fraud; and how senior management monitors those programmes.

Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Where the risk was considered to be higher, we performed audit procedures to address each identified risk. These procedures included: testing manual journals; reviewing the financial statement disclosures and testing to supporting documentation; performing analytical procedures; and enquiring of management, and were designed to provide reasonable assurance that the financial statements were free from material fraud or error.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation. We are not responsible for preventing non-compliance and cannot be expected to detect all non-compliance with laws and regulations.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

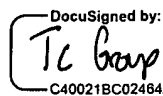
STROMA GROUP LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF STROMA GROUP LIMITED

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.

DocuSigned by:

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Steven Williams FCA (Senior Statutory Auditor)

For and on behalf of TC Group

Date: 25/9/2023

Statutory Auditor

6 Queen Street
Leeds
West Yorkshire
LS1 2TW

STROMA GROUP LIMITED**STATEMENT OF COMPREHENSIVE INCOME****FOR THE PERIOD ENDED 31 DECEMBER 2022**

		Period ended 31 Dec 2022 £	Year ended 31 Mar 2022 £
	Notes		
Turnover	3	354,962	2,025,058
Administrative expenses (including exceptional items of £157,310 (March 2022 - £6,237,848))		(769,829)	(8,535,841)
Other operating income		-	5,239
Operating loss	5	(414,867)	(6,505,544)
Interest receivable and similar income	8	-	9
Interest payable and similar expenses	9	(1,541)	(2,248,949)
Loss before taxation		(416,408)	(8,754,484)
Tax on loss	10	-	-
Loss for the financial period		(416,408)	(8,754,484)

The profit and loss account has been prepared on the basis that all operations are continuing operations.

STROMA GROUP LIMITED**BALANCE SHEET****AS AT 31 DECEMBER 2022**

		Dec 2022		Mar 2022	
	Notes	£	£	£	£
Fixed assets					
Investments	11	30,001,337		30,001,337	
Current assets					
Debtors	13	7,070,090		7,153,431	
Cash at bank and in hand		137,674		146,754	
		<u>7,207,764</u>		<u>7,300,185</u>	
Creditors: amounts falling due within one year	14	<u>(46,295,041)</u>		<u>(45,971,054)</u>	
Net current liabilities		<u>(39,087,277)</u>		<u>(38,670,869)</u>	
Net liabilities		<u>(9,085,940)</u>		<u>(8,669,532)</u>	
Capital and reserves					
Called up share capital	16	292,418		292,418	
Share premium account	17	8,262,088		8,262,088	
Profit and loss reserves	18	<u>(17,640,446)</u>		<u>(17,224,038)</u>	
Total equity		<u>(9,085,940)</u>		<u>(8,669,532)</u>	

The financial statements were approved by the board of directors and authorised for issue on 22 September 2023 and are signed on its behalf by:

DocuSigned by:

 DDE2DE5F3483402...
 Mr D G Harrison
 Director

Company Registration No. 08960979

STROMA GROUP LIMITED**STATEMENT OF CHANGES IN EQUITY****FOR THE PERIOD ENDED 31 DECEMBER 2022**

	Share capital	Share premium account	Profit and loss reserves	Total
	£	£	£	£
As restated for the period ended 31 March 2022:				
Balance at 1 April 2021	292,418	8,262,088	(8,469,869)	84,637
Effect of transition to FRS 102	-	-	315	315
As restated	292,418	8,262,088	(8,469,554)	84,952
Year ended 31 March 2022:				
Loss and total comprehensive income for the year	-	-	(8,754,484)	(8,754,484)
Balance at 31 March 2022	292,418	8,262,088	(17,224,038)	(8,669,532)
Period ended 31 December 2022:				
Loss and total comprehensive income for the period	-	-	(416,408)	(416,408)
Balance at 31 December 2022	292,418	8,262,088	(17,640,446)	(9,085,940)

STROMA GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2022

1 Accounting policies

Company information

Stroma Group Limited is a private company limited by shares incorporated in England and Wales. The registered office is 6 Silkwood Business Park, Fryers Way, Ossett, WF5 9TJ.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £1.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

These financial statements for the period ended 31 December 2022 are the first financial statements of Stroma Group Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 April 2021. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 22.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues: Interest income/expense and net gains/losses for financial instruments not measured at fair value; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

Stroma Group Limited is a wholly owned subsidiary of Puma Topco Limited and the results of Stroma Group Limited are included in the consolidated financial statements of Puma Topco Limited which are available from Companies House.

STROMA GROUP LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE PERIOD ENDED 31 DECEMBER 2022****1 Accounting policies****(Continued)****1.2 Going concern**

Stroma Group Limited is part of, and integrated into, the Phenna group ("the Group") and, in making their going concern assessment, the directors have considered the financial performance and position of the Group as a whole.

The Group meets its day-to-day working capital requirements through its banking facilities and has prepared detailed forecasts which indicate that it has sufficient resources available in order to settle its debts as they fall due for a period of at least 12 months from the date of approval of these financial statements. The forecast shows that there is sufficient cash headroom to absorb a reasonable assessment of potential downsides against the forecast, should they occur.

In making their going concern assessment, the directors have also assumed that amounts owed by the company to its parent undertaking, Phenna Group Topco Limited, will not be repaid unless the company has sufficient funds available to make these repayments in excess of those that it needs to repay its other debts as they fall due. The company has received an undertaking from Phenna Group Topco Limited confirming that this support will remain available for a period of at least 12 months from the date of approval of the financial statements.

Having reviewed the forecast information and current trading levels, the directors are confident that the business can pay its debts as they fall due over the next 12 months. Accordingly, the directors have concluded that no material uncertainty in relation to going concern exists and have prepared the financial statements on a going concern basis.

1.3 Reporting period

In the current period, the company changed its accounting reference date from 31 March to 31 December in order to align it with other members of the group headed by Puma Topco Limited. The period ended 31 December 2022 therefore represents the nine month reporting period to 31 December 2022 compared to a 12 month reporting period to 31 March 2022. The comparative amounts presented in the financial statements (including the related notes) are therefore not entirely comparable.

1.4 Turnover

Turnover comprises the fair value of consideration received or receivable for the provision of management services in the ordinary course of the company's activities. Turnover is shown net of valued added tax and is recognised when the amount of revenue can be reliably measured, and it is probable that future economic benefits will flow to the entity.

1.5 Fixed asset investments

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

STROMA GROUP LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE PERIOD ENDED 31 DECEMBER 2022****1 Accounting policies****(Continued)****1.6 Cash and cash equivalents**

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

1.7 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

STROMA GROUP LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE PERIOD ENDED 31 DECEMBER 2022****1 Accounting policies****(Continued)*****Classification of financial liabilities***

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

Basic financial liabilities

Basic financial liabilities, including creditors and loans from fellow group companies, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.8 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.9 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.10 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.11 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

STROMA GROUP LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE PERIOD ENDED 31 DECEMBER 2022****1 Accounting policies****(Continued)****1.12 Government grants**

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1.13 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

1.14 Exceptional items

Items that are exceptional by virtue of size or incidence are disclosed separately on the face of the statement comprehensive income in order to help provide a clearer indication of the company's underlying business performance.

2 Judgements and key sources of estimation uncertainty

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas in the financial statements where the judgements have been made include the carrying value of investments and recoverability of amounts owed from group undertakings. The judgements made are based on historical experience and management's best knowledge of current events and circumstances and are subject to continual review on an ongoing basis. Further details of the company's investments and amounts due from group undertakings are provided in the notes to the financial statements below.

3 Turnover and other revenue

	Dec 2022	Mar 2022
	£	£
Turnover analysed by class of business		
Management charges receivable from group undertakings	354,962	2,025,058
	<u> </u>	<u> </u>
	Dec 2022	Mar 2022
	£	£
Other significant revenue		
Interest income	-	9
Grants received	-	5,239
	<u> </u>	<u> </u>

STROMA GROUP LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE PERIOD ENDED 31 DECEMBER 2022****4 Exceptional items**

	Dec 2022	Mar 2022
	£	£
Expenditure		
Group restructuring and integration related costs	157,310	329,505
Senior management bonuses arising on sale of business	-	3,705,549
Non-recurrent deal and refinancing related fees	-	2,050,209
Other non-recurring costs	-	152,585
	<u>157,310</u>	<u>6,237,848</u>

Integration related costs includes the cost of fixed-term and permanent staff working on the integration of systems and processes following past acquisitions made by the group headed by Stroma Group Limited. It also includes staff restructuring costs.

The prior year non-recurrent deal and refinancing costs related to legal and professional fees and other charges arising from the sale of the company to new investors in February 2022. As a result of the sale of the group, certain senior employees received bonus payments as noted above. These were disclosed separately from ongoing salary costs due to their size and non-recurring nature.

5 Operating loss

	Dec 2022	Mar 2022
	£	£
Operating loss for the period is stated after charging/(crediting):		
Government grants	-	(5,239)
Fees payable to the company's auditor for the audit of the company's financial statements	1,500	4,972
Operating lease charges	<u>12,615</u>	<u>52,821</u>

6 Employees

The average monthly number of persons (including directors) employed by the company during the period was:

	Dec 2022	Mar 2022
	Number	Number
Group management	<u>13</u>	<u>45</u>

STROMA GROUP LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE PERIOD ENDED 31 DECEMBER 2022****6 Employees****(Continued)**

Their aggregate remuneration comprised:

	Dec 2022	Mar 2022
	£	£
Wages and salaries	277,434	1,626,250
Social security costs	32,837	174,433
Pension costs	6,436	38,257
	<u>316,707</u>	<u>1,838,940</u>

7 Directors' remuneration

	Dec 2022	Mar 2022
	£	£
Remuneration for qualifying services	42,228	568,403
Company pension contributions to defined contribution schemes	1,215	10,915
	<u>43,443</u>	<u>579,318</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 3 (Mar 2022 - 4).

Remuneration disclosed above includes the following amounts paid to the highest paid director:

	Dec 2022	Mar 2022
	£	£
Remuneration for qualifying services	n/a	192,287
Company pension contributions to defined contribution schemes	n/a	1,515
	<u>n/a</u>	<u>1,515</u>

STROMA GROUP LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE PERIOD ENDED 31 DECEMBER 2022****7 Directors' remuneration****(Continued)**

In addition to the costs disclosed above in the prior year, the company's directors also received £2,800,693 in respect of bonuses and payments in lieu of notice arising as a result of the sale of the company in February 2022, and included in exceptional items as detailed in note 4 above. There were also non-recurring pension contributions amounting to £58,200 paid to directors in the prior year and included in exceptional items. In the current period, directors' salary costs of £65,046 and pension contributions of £700 have been classified as exceptional items in respect of settlement payments incurred as part of the company's restructuring exercise in the period.

The highest paid director in the prior year also received £1,078,727 in respect of bonuses and payment in lieu of notice following the sale of the company in February 2022. There was also an additional pension contribution of £23,200 in the prior year. These amounts were also disclosed within exceptional items in note 4.

8 Interest receivable and similar income

	Dec 2022	Mar 2022
	£	£
Interest income		
Interest on bank deposits	-	9
	<u> </u>	<u> </u>

9 Interest payable and similar expenses

	Dec 2022	Mar 2022
	£	£
Interest on bank overdrafts and loans	-	370,489
Other interest on financial liabilities	-	1,866,830
Other interest	1,541	11,630
	<u> </u>	<u> </u>
	1,541	2,248,949
	<u> </u>	<u> </u>

STROMA GROUP LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE PERIOD ENDED 31 DECEMBER 2022****10 Taxation**

The actual charge for the period can be reconciled to the expected credit for the period based on the profit or loss and the standard rate of tax as follows:

	Dec 2022 £	Mar 2022 £
Loss before taxation	(416,408)	(8,754,484)
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (Mar 2022: 19.00%)	(79,118)	(1,663,352)
Tax effect of expenses that are not deductible in determining taxable profit	153	377,995
Change in unrecognised deferred tax assets	(456,148)	475,411
Group relief	535,113	708,068
Other permanent differences	-	101,878
Taxation charge for the period	-	-

As at 31 December 2022, the company had unused tax losses of £1.4m, against which no deferred tax asset has been recognised.

The main rate of corporation tax is due to increase to 25% from 1 April 2023 under the Finance Bill 2021.

11 Fixed asset investments

	Notes	Dec 2022 £	Mar 2022 £
Investments in subsidiaries	12	30,001,337	30,001,337

STROMA GROUP LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE PERIOD ENDED 31 DECEMBER 2022****12 Subsidiaries**

Details of the company's subsidiaries at 31 December 2022 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held	
			Direct	Indirect
Stroma Holdings Limited	6 Silkwood Business Park, Fryers Way, Ossett, WF5 9TJ	Ordinary	100.00	-
Stroma Trustee Limited	As above	Ordinary	100.00	-
Stroma Developments Limited	As above	Ordinary	-	100.00
Stroma Certification Limited	As above	Ordinary	-	100.00
Stroma Built Environment Limited	As above	Ordinary	-	100.00
Stroma Compliance Limited	As above	Ordinary	-	100.00
Stroma Building Control Limited	As above	Ordinary	-	100.00
Lakeside Hilton Limited	As above	Ordinary	-	100.00
Approved Design Consultancy Limited	As above	Ordinary	-	100.00
H R S Trading Limited	As above	Ordinary	-	100.00
Stroma Specialist Access Limited	As above	Ordinary	-	100.00

13 Debtors

	Dec 2022	Mar 2022
	£	£
Amounts falling due within one year:		
Trade debtors	763	-
Amounts owed by group undertakings	7,053,480	7,053,480
Other debtors	15,847	34,518
Prepayments and accrued income	-	65,433
	<u>7,070,090</u>	<u>7,153,431</u>

14 Creditors: amounts falling due within one year

	Dec 2022	Mar 2022
	£	£
Trade creditors	44,140	177,880
Amounts owed to group undertakings	46,248,208	45,612,486
Taxation and social security	-	113,655
Other creditors	-	10,494
Accruals and deferred income	2,693	56,539
	<u>46,295,041</u>	<u>45,971,054</u>

STROMA GROUP LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE PERIOD ENDED 31 DECEMBER 2022****15 Retirement benefit schemes**

	Dec 2022	Mar 2022
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	6,436	38,257

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

16 Share capital

	Dec 2022	Mar 2022	Dec 2022	Mar 2022
	Number	Number	£	£
Ordinary share capital				
Issued and fully paid				
A1 Ordinary of 5p each	1,778,275	1,778,275	88,913	88,913
A2 Ordinary of 5p each	197,586	197,586	9,879	9,879
A3 Ordinary of 5p each	24,139	24,139	1,207	1,207
B Ordinary of 8p each	1,377,940	1,377,940	110,235	110,235
C Ordinary of 5p each	967,126	967,126	48,356	48,356
C1 Ordinary of 2.5p each	386,227	386,227	9,656	9,656
D Ordinary of 15p each	96,557	96,557	14,484	14,484
E Ordinary of 0.01p each	269,715	269,715	27	27
F Ordinary of 2.5p each	386,227	386,227	9,656	9,656
Deferred of £1 each	5	5	5	5
	<u>5,483,797</u>	<u>5,483,797</u>	<u>292,418</u>	<u>292,418</u>

All shares rank pari passu.

17 Share premium account

Share premium represents the difference between the price paid for issued shares and their nominal price.

18 Profit and loss reserves

The balance on the profit and loss account represents aggregate losses generated by the company since trading commenced.

19 Financial commitments, guarantees and contingent liabilities

The company is party to an agreement to secure borrowing facilities held by the wider group headed by TIC Holdco Limited. Under this agreement, the company has provided fixed and floating charges over its assets present and future.

STROMA GROUP LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE PERIOD ENDED 31 DECEMBER 2022****20 Operating lease commitments****Lessee**

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Dec 2022	Mar 2022
	£	£
Within one year	64,398	83,342
Between two and five years	67,911	153,584
	<u>132,309</u>	<u>236,926</u>

The total operating lease charge for the period was £61,968, of which £12,615 was recognised as an expense in the period. The remaining costs were recharged directly to fellow group companies.

21 Ultimate controlling party

The ultimate parent undertaking is TIC Holdco Limited, a company incorporated in England and Wales.

The largest and smallest group for which consolidated financial statements are prepared including the results of the company is that headed by Puma Topco Limited. The registered office address of Puma Topco Limited is 3 - 5 College Street, Nottingham, NG1 5AQ.

The directors are of the opinion that Mr Peter Dubens is the ultimate controlling party of TIC Holdco Limited, exercising his control through voting rights with a controlling percentage of greater than 50%.

22 Reconciliations on adoption of FRS 102

This is the first reporting period that the Company has presented its results under FRS 102. The last financial statements were prepared in accordance with FRS 101 for the year ended 31 March 2022. The date of transition to FRS 102 was 1 April 2021. Set out below are the changes in accounting policies which reconcile profit for the financial year ended 31 March 2022 and the total equity at 1 April 2021 and 31 March 2022 between FRS 101 as previously reported and FRS 102:

STROMA GROUP LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE PERIOD ENDED 31 DECEMBER 2022****22 Reconciliations on adoption of FRS 102****(Continued)****Reconciliation of equity**

		1 April 2021	31 March 2022
	Notes	£	£
Equity as reported under previous UK GAAP		84,637	(8,680,072)
Adjustments arising from transition to FRS 102:			
Reversal of IFRS 16 accounting	(i)	315	10,540
Equity reported under FRS 102		<u>84,952</u>	<u>(8,669,532)</u>

Reconciliation of loss for the financial period

	Notes	Mar 2022 £
Loss as reported under previous UK GAAP		(8,764,709)
Adjustments arising from transition to FRS 102:		
Reversal of depreciation on right-of-use assets	(i)	55,999
Reversal of lease interest on right-of-use assets	(i)	7,047
Recognition of operating lease expense	(i)	(52,821)
Loss reported under FRS 102		<u>(8,754,484)</u>

STROMA GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2022

22 Reconciliations on adoption of FRS 102

(Continued)

Reconciliation of equity

	Notes	At 1 April 2021			At 31 March 2022		
		Previous UK GAAP £	Effect of transition £	FRS 102 £	Previous UK GAAP £	Effect of transition £	FRS 102 £
Fixed assets							
Right-of-use assets		121,875	(121,875)	-	204,595	(204,595)	-
Investments		30,001,337	-	30,001,337	30,001,337	-	30,001,337
		<u>30,123,212</u>	<u>(121,875)</u>	<u>30,001,337</u>	<u>30,205,932</u>	<u>(204,595)</u>	<u>30,001,337</u>
Current assets							
Debtors		7,636,280	1,020	7,637,300	7,153,431	-	7,153,431
Bank and cash		104,669	-	104,669	146,754	-	146,754
		<u>7,740,949</u>	<u>1,020</u>	<u>7,741,969</u>	<u>7,300,185</u>	<u>-</u>	<u>7,300,185</u>
Creditors due within one year							
Loans and overdrafts		(1,000,000)	-	(1,000,000)	-	-	-
Lease liabilities		(43,872)	43,872	-	(69,781)	69,781	-
Taxation		(180,571)	-	(180,571)	(113,655)	-	(113,655)
Other creditors		(1,472,134)	-	(1,472,134)	(45,857,399)	-	(45,857,399)
		<u>(2,696,577)</u>	<u>43,872</u>	<u>(2,652,705)</u>	<u>(46,040,835)</u>	<u>69,781</u>	<u>(45,971,054)</u>
Net current assets/(liabilities)		<u>5,044,372</u>	<u>44,892</u>	<u>5,089,264</u>	<u>(38,740,650)</u>	<u>69,781</u>	<u>(38,670,869)</u>
Total assets less current liabilities		<u>35,167,584</u>	<u>(76,983)</u>	<u>35,090,601</u>	<u>(8,534,718)</u>	<u>(134,814)</u>	<u>(8,669,532)</u>
Creditors due after one year							
Loans and overdrafts		(24,601,256)	-	(24,601,256)	-	-	-
Lease liabilities		(77,298)	77,298	-	(145,354)	145,354	-
Other creditors		(10,404,393)	-	(10,404,393)	-	-	-
		<u>(35,082,947)</u>	<u>77,298</u>	<u>(35,005,649)</u>	<u>(145,354)</u>	<u>145,354</u>	<u>-</u>
Net assets		<u>84,637</u>	<u>315</u>	<u>84,952</u>	<u>(8,680,072)</u>	<u>10,540</u>	<u>(8,669,532)</u>

STROMA GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2022

22 Reconciliations on adoption of FRS 102

(Continued)

	At 1 April 2021			At 31 March 2022		
	Previous UK GAAP	Effect of transition	FRS 102	Previous UK GAAP	Effect of transition	FRS 102
Notes	£	£	£	£	£	£
Capital and reserves						
Share capital	292,418	-	292,418	292,418	-	292,418
Share premium	8,262,088	-	8,262,088	8,262,088	-	8,262,088
Profit and loss	(8,469,869)	315	(8,469,554)	(17,234,578)	10,540	(17,224,038)
Total equity	84,637	315	84,952	(8,680,072)	10,540	(8,669,532)

Notes to reconciliations on adoption of FRS 102

(i) Reversal of IFRS 16 accounting

Under FRS 101, certain assets held under lease arrangements and used in the company's trade were accounted for in accordance with IFRS 16 as right-of-use assets, with a corresponding lease liability recognised in creditors.

However, following transition, these assets have been accounted for as being held under operating leases in accordance with section 20 of FRS 102. The net impact on reserves at 1 April 2021 was an increase of £315, due to the derecognition of right-of-use assets with a book value of £121,875 and lease obligations of £121,170 and adjustments to previously reported prepayments of £1,020. The impact on the reported loss for the year ended 31 March 2022 has been to reverse depreciation and interest charges on the right-of-use assets and lease liabilities and expense the lease repayments as operating lease rentals. A more detailed analysis of these entries is provided in the reconciliation above.