

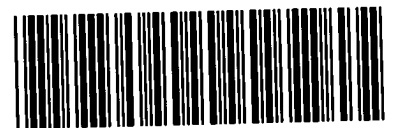
Registered number: 10729135

SUPERSTRUCT ENTERTAINMENT LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

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SUPERSTRUCT ENTERTAINMENT LIMITED
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SUPERSTRUCT ENTERTAINMENT LIMITED
COMPANY INFORMATION

Directors	Andrew Axelrod James Barton Roderik Schlösser Andrew Tisdale Daniel Zwicky
Registered number	10729135
Registered office	7 th Floor, 364-366 Kensington High Street London W14 8NS
Independent auditor	SRLV Audit Limited Chartered Accountants and Statutory Auditor Elsley Court 20-22 Great Titchfield Street London W1W 8BE

SUPERSTRUCT ENTERTAINMENT LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

Introduction

The directors present their review of the group's financial and strategic performance for the year ended 31 December 2022.

Business review

The group's principal activity is the organisation and promotion of music festivals; there have not been any significant changes in the group's principal activity in the year under review. The group's head office is in London, with operations in various UK locations as well as in Denmark and Australia.

Group sales increased in the year by 338% to £141.9m, leading to a gross profit of £37.3m. Total administrative expenses increased by 101% to £34.2m. Profit after tax improved to a profit of £1m against the previous year's loss of £4.3m. The improvements are as expected, given that the group was able to resume most of its festivals again after prior year cancellations (as a result of COVID-19).

Principal risks and uncertainties

The risks and uncertainties facing the group 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 group mitigates this risk by seeking to acquire events with strong brands which generate a high level of customer loyalty. The group also invests in marketing to boost sales and to strengthen the festival brands.

Venue availability: There are a limited number of venues which are suitable for hosting large festivals and venue costs have a major impact on the financial success of a festival.

The group seeks to mitigate this risk by securing suitable venues under long term agreements where possible, and by investigating alternative venues in a timely manner when existing venues may cease to be available.

Cost of living: There is an expectation that the cost of living will increase in countries where the group has operations.

The group seeks to mitigate this risk by continuing to develop the strength of its subsidiary brands and to focus on ensuring customer loyalty (whilst also seeking to attract new customers). In addition, the group closely monitors and maintains tight control over committed festival costs, to minimise the impact of any potential reduction in attendances.

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

The group's approach to mitigation of financial instruments is detailed in note 28 of the financial statements.

SUPERSTRUCT ENTERTAINMENT LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

Financial key performance indicators

The group uses a number of financial performance indicators to monitor and manage the business effectively. The financial key performance indicators for the year ended 31 December 2022, with comparatives for the year ended 31 December 2021, are laid out below.

	2022	2021
	£000	£000
Turnover	141,894	32,421
Gross profit	37,291	6,420
Gross profit margin	26%	20%
Net assets	9,824	18,372
Net current assets	4,692	2,826
Cash and cash equivalents	33,652	26,300

Other key performance indicators

The directors review the number of daily attendees at its festivals. Due to the majority of the group's 2021 events being cancelled as a result of COVID-19 restrictions, the total number of attendees increased from 506,523 in 2021 to 1,357,667 in 2022.

Going Concern

With the successful return of the group's summer 2022 events and the continued growth of the group's portfolio of business units after the COVID-19 pandemic, the directors consider it appropriate to prepare the financial statements on a going concern basis. The directors are satisfied that the group will be able to satisfy its financial obligations for at least 12 months from the date of signature of the financial statements, which have been prepared on a going concern basis.

Section 172(1) Statement

In governing the group on behalf of its shareholders and discharging their duties under section 172, the board has had regard to the factors set out in section 172 (see below) and other factors which the board considers appropriate.

Matters identified that may affect the group's performance in the long term are set out in the principal risks disclosed in the strategic report above.

Section 172 factors

Section 172 requires directors to have regard to the following in performing their duties, and as part of the process are required to consider, where relevant:

- The likely long-term consequences of the decision.
- The interest of the group's employees.
- The need to foster the group's business relationships with suppliers, customers, and others.
- The impact of the group's operations on the community and environment.
- The desire to maintain the group's reputation for high standards of business conduct.
- The need to act fairly between members of the group.

SUPERSTRUCT ENTERTAINMENT LIMITED
GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

In discharging its Section 172 duties, the board has had regard to the factors set out above. The board also has regard to other factors which it considers relevant to the decision being made. The board acknowledges that every decision it makes will not necessarily result in a positive outcome for all of its stakeholders. By considering the group's purpose, vision and values, together with its strategic priorities and having a process in place for decision making, the board does however aim to make sure that its decisions are consistent and predictable.

Carbon and Energy Reporting

The directors have considered the energy reporting requirements and are taking the exemption as the company uses less than 40MWH per year.

Directors' indemnity

A qualifying third-party indemnity provision, in the form of directors' and officers' insurance cover, was in force for the benefit of the directors during the year.

This report was approved by the board 11 January 2024 and signed on its behalf.



Roderik Schlösser
Director

SUPERSTRUCT ENTERTAINMENT LIMITED
GROUP 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.

Principal activity, results and dividends

The principal activity of the group is that of the operation and development of music festivals.

The profit for the year, after taxation, amounted to £1m (2021 – loss of £4.3m).

The directors have not recommended any dividends be declared at this time (2021 – £NIL).

Directors

The directors who served during the year were:

Andrew Axelrod
James Barton
Roderik Schlösser
Andrew Tisdale
Daniel Zwicky

Future developments

The directors plan to continue the development of the festival brands and increase attendance. The directors will continue to explore opportunities when they arise to grow and expand the existing business.

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 and the group'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 and the group's auditor is aware of that information.

Matters covered in the group strategic report

The principal risks and uncertainties facing the group and the company and key performance indicators have been considered in the group strategic report.

Post balance sheet events

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

- 70% of the share capital of Waxarch Holdings Limited, which owns 100% of the share capital in Waxarch Ltd;
- 70% of the share capital of SBH Events Holdings Limited, which owns 100% of the share capital in both SBH Events Ltd and SBH Events EU Limited;
- 70% of the share capital of Mr November Limited, which owns 30% of the share capital in Mighty Hoopla Ltd;
- 46.7% of the share capital in Mighty Hoopla Ltd;
- 70% of the shares of X The Tracks Ltd;
- 60.02% of the shares of Centris Events S.L.

SUPERSTRUCT ENTERTAINMENT LIMITED
GROUP DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

Subsequent to the balance sheet date, a restructuring took place in which Superstruct Entertainment Limited acquired 100% of the share capital of Superstruct Entertainment International Holding Ltd. In consideration for this transaction, Superstruct Entertainment Limited issued a further two ordinary shares to Superstruct Holding S.à.r.l. Through this acquisition of Superstruct Entertainment International Holding Limited, Superstruct Entertainment Limited indirectly acquired:

- 100% of the share capital of Superstruct Entertainment Netherlands BV;
- 100% of the share capital of Superstruct Germany Holdings GmbH;
- 100% of the share capital of Superstruct Norge 2 AS;
- 100% of the share capital of Superstruct Norge AS;
- 80% of the share capital of Advanced Music, SL;
- 51% of the share capital of Elrow Global, SL;
- 57.5% of the share capital of Superstruct TMR Holding, SL;
- 80% of the share capital of Superstruct BTN Holdings, SL;
- 80% of the share capital of Tuska Festival Oy;
- 73.3% of the share capital of Flow Festival Oy.

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 the 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 11 January 2024 and signed on its behalf.



Roderik Schlösser
Director

SUPERSTRUCT ENTERTAINMENT LIMITED
DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2022

The directors are responsible for preparing 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 period. Under that law the directors have prepared the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the United Kingdom. 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 the group and of the profit or loss of the group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the group's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable IFRSs as adopted by the United Kingdom have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group 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 the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

SUPERSTRUCT ENTERTAINMENT LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SUPERSTRUCT ENTERTAINMENT LIMITED

Opinion

We have audited the financial statements of Superstruct Entertainment Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2022, which comprise the consolidated income statement, the consolidated statement of comprehensive income, the consolidated and company statements of financial position, the consolidated and company statements of changes in equity, the consolidated and company statements of cash flows and related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRS) as adopted by the United Kingdom.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2022 and of the group's profit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the United Kingdom; 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 group 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 parent company and group'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 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 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 ENTERTAINMENT LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SUPERSTRUCT ENTERTAINMENT LIMITED

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 group 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 group 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 group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the group 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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 7, 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 group's and the parent 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 group or the parent 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:

SUPERSTRUCT ENTERTAINMENT LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SUPERSTRUCT ENTERTAINMENT LIMITED

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 group'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 documentation of their policies and procedures relating to:
 - o identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - o detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
 - o 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 potential opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas: revenue recognition and the carrying value of goodwill and intangible assets recognised separately to goodwill on acquisition. 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. The Group engagement team shared this risk assessment with the component auditors so that they could include appropriate audit procedures in response to such risk in their work.

We also obtained an understanding of the legal and regulatory frameworks in which the group 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 group's ability to operate or to avoid a material penalty.

Audit response to risks identified

Audit procedures performed by the group engagement team and/or component auditors included:

- 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.

SUPERSTRUCT ENTERTAINMENT LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SUPERSTRUCT ENTERTAINMENT LIMITED

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 parent 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 parent company and the parent company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

SRLV Audit Limited

Marc Vouters (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

11 January 2024

SUPERSTRUCT ENTERTAINMENT LIMITED
CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2022

		2022	As restated 2021
	Note	£000	£000
Revenue	5	141,894	32,421
Cost of sales		(104,603)	(26,001)
Gross profit		37,291	6,420
Administrative expenses		(34,264)	(17,031)
Other operating income	6	3,644	9,277
Operating profit/(loss)	7	6,671	(1,334)
Finance income	8	6	98
Finance expense	9	(4,499)	(3,289)
Profit/(loss) before income tax		2,178	(4,525)
Income tax (expense)/credit	14	(1,164)	211
Profit/(loss) for the financial year		1,014	(4,314)
Profit/(loss) attributable to:			
Owners of the parent		2,261	(5,064)
Minority interest		(1,247)	750
		1,014	(4,314)

The notes on pages 22 to 61 form part of these financial statements.

SUPERSTRUCT ENTERTAINMENT LIMITED
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2022

		2022	As restated 2021
		£000	£000
Profit/(loss) for the financial year		1,014	(4,314)
Other comprehensive (loss)/income			
Exchange differences on translation of foreign operations		384	(965)
Net loss on fair value movements	13	(5,661)	(316)
Release from other reserves on exercise of options	24	957	-
Total comprehensive loss for the year		(3,306)	(5,595)
Total comprehensive income attributable to:			
Owners of the parent company		(2,059)	(5,830)
Minority interest		(1,247)	234
Total comprehensive loss for the year		(3,306)	(5,595)

The notes on pages 22 to 61 form part of these financial statements.

SUPERSTRUCT ENTERTAINMENT LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2022

		2022	As restated 2021
	Note	£000	£000
Assets			
Non-current assets			
Goodwill	16	86,624	74,233
Intangible fixed assets	17	13,432	12,175
Tangible fixed assets	18	3,459	2,216
		<u>103,515</u>	<u>88,624</u>
Current assets			
Stocks	21	151	105
Trade and other receivables	22	19,323	26,061
Cash at bank and in hand	23	33,702	26,316
		<u>53,176</u>	<u>52,482</u>
Liabilities			
Current liabilities			
Trade and other payables	24	(48,484)	(49,656)
Net current assets		<u>4,692</u>	<u>2,826</u>
Total assets less current liabilities		<u>108,207</u>	<u>91,450</u>
Non-current liabilities			
Lease liability due in more than 1 year	26	(1,320)	(936)
Deferred taxation	15	(4,081)	(3,684)
Amounts due to group undertakings	24	(76,046)	(56,990)
Other loans	24	(1,937)	(35)
Accruals and deferred income	24	-	(627)
Other creditors	24	(14,999)	(10,806)
Net assets		<u>9,824</u>	<u>18,372</u>
Shareholders' equity			
Share capital	27	1	1
Share premium	31	41,390	41,390
Retained earnings		(19,188)	(21,449)
Other reserves	31	(19,018)	(14,314)
Exchange differences on translation of foreign operations		197	(269)
Equity attributable to owners of the parent		<u>3,382</u>	<u>5,359</u>
Non-controlling interest		<u>6,442</u>	<u>13,013</u>
Total shareholders' equity		<u>9,824</u>	<u>18,372</u>

SUPERSTRUCT ENTERTAINMENT LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2022 (CONTINUED)

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 11 January 2024



Roderik Schlösser
Director

Registered number: 10729135 (England & Wales)

The notes on pages 22 to 61 form part of these financial statements.

SUPERSTRUCT ENTERTAINMENT LIMITED
COMPANY STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2022

		2022 £000	As restated 2021 £000
Assets			
Non-current assets			
Tangible fixed assets	18	1,109	1,326
Investments	20	45,399	43,188
		46,508	44,514
Current assets			
Debtors: amounts falling due after more than one year	22	6,458	6,511
Debtors: amounts falling due within one year	22	18,679	20,889
Cash at bank and in hand	23	2,450	1,680
		27,587	29,080
Liabilities			
Current liabilities			
Trade and other payables	24	(9,221)	(2,346)
Net current assets		18,366	26,734
Total assets less current liabilities			
Creditors due in more than one year	24	(52,261)	(52,307)
Net assets		12,613	18,941
Shareholders' equity			
Share capital	27	1	1
Share premium	31	41,390	41,390
Other reserves		(10,264)	(10,120)
Retained earnings		(18,514)	(12,330)
Total shareholders' equity		12,613	18,941

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 11 January 2024



Roderik Schlösser
Director

Registered number: 10729135 (England & Wales)

The notes on pages 22 to 61 form part of these financial statements.

SUPERSTRUCT ENTERTAINMENT LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2022

	Share capital £000	Share premium £000	Other reserves £000	Retained earnings £000	Exchange differences on translation of foreign operations £000	Non- controlling interest £000	Total equity £000
At 1 January 2021	1	41,390	(12,478)	(16,674)	425	13,916	26,580
Comprehensive income for the year							
Loss for the financial year	-	-	-	(5,071)	-	775	(4,296)
Adjustment to brought forward balances	-	-	-	-	(172)	172	-
Other comprehensive income	-	-	-	-	(424)	(541)	(965)
Total comprehensive income for the year	-	-	-	(5,071)	(596)	406	(5,261)
Dividends paid	-	-	-	-	-	(1,032)	(1,032)
NCl added on acquisitions during the year	-	-	-	-	-	1,566	1,566
Transfer to/from profit and loss account	-	-	(316)	316	-	-	-
At 1 January 2022 as previously stated	1	41,390	(12,794)	(21,429)	(171)	14,856	21,853
Restatement	-	-	(1,520)	(20)	(98)	(1,843)	(3,481)
At 1 January 2022 as restated	1	41,390	(14,314)	(21,449)	(269)	13,013	18,372

SUPERSTRUCT ENTERTAINMENT LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

	Share capital £000	Share premium £000	Other reserves £000	Retained earnings £000	Exchange differences on translation of foreign operations £000	Non-controlling interest £000	Total equity £000
Comprehensive income for the year							
Profit/(loss) for the financial year	-	-	-	2,261	-	(1,247)	(1,014)
Transfer to/from P&L account	-	-	-	-	82	(82)	-
Other comprehensive income	-	-	(4,704)	-	384	-	(4,320)
Total comprehensive income for the year	-	-	(4,704)	2,261	466	(1,329)	(3,306)
Dividends paid	-	-	-	-	-	(1,736)	(1,736)
NCI added in the year	-	-	-	-	-	(757)	(757)
Minority buyout	-	-	-	-	-	(2,749)	(2,749)
At 31 December 2022	1	41,390	(19,018)	(19,188)	197	6,442	9,824

SUPERSTRUCT ENTERTAINMENT LIMITED
COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2022

	Share capital £000	Share premium £000	Other reserves £000	Retained earnings £000	Total shareholders' equity £000
At 1 January 2021	1	41,390	(9,597)	(8,101)	23,693
Comprehensive income for the year					
Loss for the financial year	-	-	-	(4,229)	(4,229)
Loss on fair value movements	-	-	(523)	-	(523)
Total comprehensive income for the year	-	-	(523)	(4,229)	(4,752)
At 1 January 2022	1	41,390	(10,120)	(12,330)	18,941
Comprehensive income for the year					
Loss for the financial year	-	-	-	(6,184)	(6,184)
Loss on fair value movements	-	-	(1,101)	-	(1,101)
Release upon exercise of call options	-	-	957	-	957
Total comprehensive income for the year	-	-	(144)	(6,184)	(6,328)
At 31 December 2022	1	41,390	(10,264)	(18,514)	12,613

SUPERSTRUCT ENTERTAINMENT LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 £000	2021 £000
Cash flows from operating activities			
Cash used in operations	29	7,841	12,860
Net cash generated from operating activities		7,841	12,860
Cash flows from investing activities			
Interest received		6	98
Acquisition of subsidiaries (net of cash acquired)		(13,178)	(6,454)
Purchase of intangible fixed assets		72	-
Purchase of tangible fixed assets		(2,440)	(1,884)
Sale of tangible fixed assets		293	6
Net cash used in investing activities		(15,247)	(8,234)
Cash flows from financing activities			
Dividends paid to non-controlling interest		(1,736)	(1,032)
Interest paid		(4,498)	(3,289)
New secured loans		20,992	8,630
Net cash generated from financing activities		14,758	4,309
Net increase in cash and cash equivalents	30	7,352	8,935
Cash and cash equivalents at start of year		26,300	17,365
Cash and cash equivalents at end of year		33,652	26,300
Cash and cash equivalents at end of year comprise:			
Cash at bank and in hand		33,702	26,316
Bank overdrafts		(50)	(16)
		33,652	26,300

The notes on pages 22 to 61 form part of these financial statements.

SUPERSTRUCT ENTERTAINMENT LIMITED
COMPANY STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 £000	2021 £000
Cash flows from operating activities			
Cash used in operations	29	(2,507)	(1,208)
Net cash used in operating activities		(2,507)	(1,208)
Cash flows from investing activities			
Interest received		460	-
Purchase of investments in subsidiaries		(2,211)	(1)
Loans from/(to) group undertakings		5,146	(3,312)
Purchase of property, plant and equipment		(94)	(1,386)
Sale of property, plant and equipment		-	6
Net cash generated from/(used in) investing activities		3,301	(4,693)
Cash flows from financing activities			
Interest paid		(24)	(22)
New secured loans		-	6,511
Net cash used in financing activities		(24)	6,489
Net increase in cash and cash equivalents	30	770	588
Cash and cash equivalents at start of year		1,680	1,092
Cash and cash equivalents at end of year		2,450	1,680
Cash and cash equivalents at end of year comprise:			
Cash at bank and in hand		2,450	1,680
		2,450	1,680

The notes on pages 22 to 61 form part of these financial statements.

1. General information

The principal activity of the group is that of operation and development of music festivals. The principal activity of the company continued to be that of a holding company.

The company is a private company limited by shares, registered in England and Wales, registration number 10729135. The address of its registered office and principal place of business is 7th Floor, 364-366 Kensington High Street, London, W14 8NS.

The company's functional and presentational currency is pound sterling. The figures included in the group's financial statements have been rounded to the nearest thousand.

2. Principal accounting policies

2.1 Basis of preparation of financial statements

The principal accounting policies adopted in the preparation of the consolidated financial statements are set out below. The policies have been consistently applied to the period presented, unless otherwise stated. The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards, International Accounting Standards and Interpretations (collectively IFRSs) issued by the International Accounting Standards Board (IASB) as adopted by the United Kingdom ("Adopted IFRSs"), and with those parts of the Companies Act 2006 applicable to companies preparing their financial statements under Adopted IFRSs.

2.2 Basis of consolidation

The group consolidated financial statements include the financial statements of the company and its subsidiary undertakings made up to 31 December 2022.

Where the company has control over an investee, it is classified as a subsidiary. The company controls an investee if all three of the following elements are present: power over the investee, exposure to variable returns from the investee, and the ability of the investor to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

The consolidated financial statements present the results of the company and its own subsidiaries ("the group") as if they form a single entity. The group financial statements consolidate those of the company and of its subsidiary undertakings, intercompany transactions and balances between group companies are therefore eliminated in full.

Basis of measurement

The consolidated financial statements have been prepared on a historical cost basis.

2.3 Going concern

With the successful return of the group's summer 2022 events and the continued growth of the group's portfolio of business units after the COVID-19 pandemic, the directors consider it appropriate to prepare the financial statements on a going concern basis. The directors are satisfied that the group will be able to satisfy its financial obligations for at least 12 months from the date of signature of the financial statements.

SUPERSTRUCT ENTERTAINMENT LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

2.4 Adoption of new and revised standards

- a) New and amended standards adopted by the group.

There are no IFRSs or IFRIC interpretations that are effective for the first time for the financial year beginning on or after 1 January 2022 that would be expected to have a material impact on the group including IFRS 16.

- b) New standards, amendments and interpretations that are potentially relevant to the group issued but not effective for the financial year beginning 1 January 2022 (and in some cases not yet adopted by the United Kingdom) and not early adopted.

The group has not adopted the following standards that have been issued but not yet effective:

Standard	Description	Issued date	Effective date
IFRS 17 Insurance Contracts	Amendments to address concerns and implementation challenges that were identified after IFRS 17 was published (includes a deferral of the effective date to annual periods beginning on or after 1 January 2023).	Jun-20	Jan-23
IAS 1 Presentation of Financial Statements	Amendment to defer the effective date of the January 2020 amendments.	Jul-20	Jan-23
IAS 8 – Accounting policies, changes in accounting estimates and errors	Amendments introducing the definition of an accounting estimate and include other amendments to IAS 8.	Feb-21	Jan-23
IAS 12 Income Taxes	Amendments regarding accounting treatment for deferred tax on transaction such as leases and decommissioning ligations.	May-21	Jan-23
IAS 1 Presentation of Financial Statements*	Amendment regarding the classification of liabilities as current or non-current.	Jan-22	Jan-24
IFRS 16 Leases	Amendments regarding liability in a Sale and Leaseback.	Jan-23	Jan-24
IAS 1 Presentation of Financial Statements*	Amendment regarding non-current liabilities with covenants.	Oct-22	Jan-24

*Not yet endorsed for use in the UK.

The directors expect that the adoption of the standards above will have no material impact on the financial statements in the year of application.

2.5 Revenue

Revenue is earned from the principal activity of the business. Ticket and sponsorship revenue is recognised at the point in time when the relevant performance obligation is satisfied, being the delivery of a festival/event. Food, drink and merchandise revenue is recognised when the goods are despatched or delivered to the customer.

Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, value added tax and other sales taxes. Payment terms vary by customer. Contracts with customers do not contain a financing component. Some contracts in relation to food and drink revenue include an element of variable consideration.

2.6 Government grants

Grants for revenue expenditure are presented as part of the profit or loss in the period in which the related expenditure is recognised.

2.7 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated impairment losses. Goodwill is deemed to have an infinite useful economic life and has not been amortised.

Intangible asset

Intangible assets are recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

At each reporting date the group assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

The estimated useful lives of the intangible assets are as follows:

Brands	-	5 years straight line
Patents	-	7 years straight line
Development	-	7 to 10 years straight line

2.8 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Plant and machinery	-	3 to 5 years straight line
Fixtures and fittings	-	3 to 5 years straight line
Computer equipment	-	3 years straight line
Leased fixed assets	-	term of lease
Long term leasehold improvements	-	term of lease

The assets' residual values and useful lives are reviewed at each statement of financial position date and adjusted prospectively if appropriate or if there is a significant change in circumstances since the last reporting date.

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

2.9 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.10 Leased assets

The group has applied IFRS 16 to each of the periods reported in the consolidated historical financial information.

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- Leases of low value assets; and
- Leases with a duration of twelve months or less.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the group's incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying value of the lease liability also includes:

- Amounts expected to be payable under any residual value guarantee;
- The exercise price of any purchase option granted in favour of the group if it is reasonably certain to exercise that option; and
- Any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

Right-of-use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- Lease payments made at or before commencement of the lease; and
- Initial direct costs incurred.

Subsequent to initial measurement, lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

When the group revises its estimate of the term of any lease (because, for example, it re-assesses the probability of a lessee extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted at the same discount rate that was applied on lease commencement. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term.

2.11 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to sell.

At each statement of financial position date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to sell. The impairment loss is recognised immediately in consolidated profit or loss.

2.12 Taxation

Tax is recognised in profit or loss except that a charge attributable to an item of income or 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 statement of financial position date in the countries where the companies operate and generate income.

Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

2.13 Foreign currencies

Transactions and balances

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

At each year 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 resulting from the settlement of transactions and the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in consolidated profit or loss.

Translations

The trading results of group undertakings are translated into sterling at the average exchange rates for the year. The assets and liabilities of overseas undertakings, including goodwill and fair value adjustments arising on acquisition, are translated at the exchange rates ruling at the year end. Exchange adjustments arising from the retranslation of opening net investments and from the translation of the profits or losses at average rates are recognised in 'other comprehensive income'.

2.14 Trade and other receivables

Short-term receivables 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.

2.15 Cash and cash equivalents

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

2.16 Trade and other payables

Short-term payables are measured at the transaction price. Other financial liabilities, including loans, 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.

2.17 Pensions

Defined contribution pension plan

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

The contributions are recognised as an expense in consolidated profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the statement of financial position. The assets of the plan are held separately from the group in independently administered funds.

2.18 Finance expense

Finance costs are charged to consolidated 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.

2.19 Finance income

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

2.20 Financial instruments

The group applied IFRS 9 across all reporting periods under these consolidated financial statements.

Financial assets

The group classifies its financial assets into one of the categories discussed below, depending on the purpose for which the asset was acquired. The group's accounting policy for each category is as follows:

Fair value through profit or loss

All the group's financial assets are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently measured at their fair value at the end of each reporting period, with any fair value gains or losses being recognised in profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss included any dividend or interest earned on the financial asset.

Amortised cost

These assets arise principally from the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest. 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.

2.20 Financial instruments (cont.)

Impairment provisions for current and non-current trade receivables are recognised based on the simplified approach within IFRS 9 using a provision matrix in the determination of the lifetime expected credit losses. During this process the probability of the non-payment of the trade receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net, such provisions are recorded in a separate provision account with the loss being recognised within administrative expenses in the consolidated statement of comprehensive income. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

Impairment provisions for receivables from related parties and loans to related parties are recognised based on a forward looking expected credit loss model. The methodology used to determine the amount of the provision is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those where the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses are recognised. For those for which credit risk has increased significantly, lifetime expected credit losses are recognised. For those that are determined to be credit impaired, lifetime expected credit losses on a net basis are recognised.

The group's financial assets measured at amortised cost comprise trade and other receivables, amounts owed by participating interests, accrued income and cash and cash equivalents in the consolidated statement of financial position.

Financial liabilities

The group classifies its financial liabilities into one of two categories, depending on the purpose for which the liability was acquired. The accounting policy for each category is as follows:

Fair value through profit or loss

The group does not have any liabilities held for trading nor has it designated any financial liabilities as being at fair value through profit or loss.

Other financial liabilities

Other financial liabilities include the following items:

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 in the consolidated statement of financial position.

Trade payables and other short-term monetary liabilities, which are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

2.21 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 options 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 applying the group's accounting policies, the directors are required to make judgements, estimates and assumptions in determining the carrying value of assets and liabilities. The directors' judgements, estimates and assumptions are based on the best and most reliable evidence available at the time when the decisions are made and are based on historical experience and other factors that are considered to be applicable. Due to the inherent sensitivity involved in making judgements, estimates and assumptions, the actual results and outcomes may differ.

The estimates and underlying assumptions are reviewed on an ongoing basis. Any revisions to accounting estimates are recognised prospectively.

Determining residual values and useful economic lives of property, plant and equipment

The group depreciates tangible fixed assets over their estimated useful lives. The estimation of the useful lives of assets is based on historical performance as well as expectation about future use and therefore requires estimates and assumptions to be applied by management. The actual lives of these assets can vary depending on a variety of factors, including technological innovation, product life cycles and maintenance programmes.

Judgement is applied by management when determining the residual values for tangible fixed assets. When determining the residual value, management aim to assess the amount that the group would currently obtain for the disposal of the asset, if it were already of the condition expected at the end of its useful economic life.

Determining residual values and useful economic lives of goodwill

The group tests whether goodwill has suffered any impairment on an annual basis. For the 2022 and 2021 reporting periods, the recoverable amount of the cash-generating units was determined based on fair value less costs of disposal calculations which require the use of assumptions. The calculations use an EBITDA multiplier approved by management to generate a fair value of the cash-generating unit.

Determining residual values and useful economic lives of intangibles

The group amortises intangible fixed assets over their estimated useful lives. The estimation of the useful lives of the assets is based on historical performance as well as expectation about future use, and therefore requires estimates and assumptions to be applied by management. The actual lives of these assets can vary depending on a variety of factors, including technological innovation, product life cycles, and maintenance programmes.

Management review intangible assets for impairment on an annual basis. The recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount. Determining the fair value less cost to sell involves judgement as there is not generally an active market for the intangibles, and future revenue or cashflow valuation techniques utilise estimated future figures. Determining the value in use also involves judgements because cashflows cannot always be directly attributed to the intangibles.

Recoverability of receivables

A provision for impairment of trade receivables is established when there is objective evidence that the group will not be able to collect all amounts due according to the original terms of the receivables. The group establishes a provision for receivables that are estimated not to be recoverable. When assessing recoverability, the directors consider factors such as the ageing of the receivables, past experience of recoverability, and the credit profile of the debtor.

4. Parent company profit for the year

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of comprehensive income in these financial statements. The loss after tax of the parent company for the year was £6.3m (2021 – £4.8m).

SUPERSTRUCT ENTERTAINMENT LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

5. Revenue

Analysis of revenue by category:

	2022	2021
	£000	£000
Ticket sales	95,609	24,180
Food, drink and merchandise	30,944	6,238
Sponsorship	9,681	1,566
Other	5,660	437
	<u>141,894</u>	<u>32,421</u>

Analysis of revenue by country of destination:

	2022	2021
	£000	£000
United Kingdom	67,981	31,411
Rest of Europe	33,799	535
Rest of World	40,114	475
	<u>141,894</u>	<u>32,421</u>

6. Other operating income

	2022	2021
	£000	£000
UK government grants receivable	2,193	411
Australian government grants receivable	974	4,118
Australian jobkeeper receivable	-	85
Danish COVID-19 compensation scheme	477	4,663
	<u>3,644</u>	<u>9,277</u>

During the current and prior year, the group applied for government-backed support schemes in relation to COVID-19. The other operating income predominantly relates to funds receivable under these country specific schemes.

7. Group loss before finance income, finance expense and income tax

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

	2022	2021
	£000	£000
Staff costs (note 11)	12,805	6,893
Amortisation of intangible fixed assets	2,212	5,329
Depreciation of tangible fixed assets	1,103	614
Impairment loss	3,111	-
Foreign exchange gains	(132)	(2)

8. Finance income

	2022	2021
	£000	£000
Bank interest	<u>6</u>	<u>98</u>

SUPERSTRUCT ENTERTAINMENT LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

9. Finance expense

	2022	2021
	£000	£000
Loan interest	4,362	3,234
Interest on leases	137	55
	<u>4,499</u>	<u>3,289</u>

10. Auditor's remuneration

	2022	2021
	£000	£000
Fees payable to the company's auditor for the audit of the consolidated annual financial statements	47	36
Fees payable to the company's auditor for the audit of the individual subsidiaries' financial statements	181	89
Fees payable to the company's auditor and associated entities in respect of all other services	144	91
	<u>372</u>	<u>216</u>

11. Employees and directors

Group staff costs for the year comprise:

	2022	2021
	£000	£000
Wages and salaries	11,452	5,964
Social security costs	986	813
Cost of defined contribution scheme	367	116
	<u>12,805</u>	<u>6,893</u>

The group's average number of employees, including directors, in the year was as follows:

	2022	2021
	No.	No.
Management (including directors)	13	13
Finance	14	11
Marketing	15	15
Event staff	49	23
Touring	4	2
Services	23	11
	<u>118</u>	<u>75</u>

SUPERSTRUCT ENTERTAINMENT LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

12. Key management personnel compensation

Key management of the group are the board of directors. Key management personnel remuneration includes the following expenses:

	2022	2021
	£000	£000
Wages and salaries	1,500	1,002
Social security costs	205	137
Cost of defined contribution scheme	5	4
	1,710	1,143

The highest paid director received remuneration of £800k (2021 - £622k). The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £4k (2021 - £3k).

13. Fair value movements

When the group enters into call or put options to purchase equity, the fair value of the option is recorded on the consolidated statement of financial position. Any subsequent movement in the fair value of the option is taken to the consolidated income statement. The loss on the fair value of the options in the year is £5.7m (2021 – £316k).

SUPERSTRUCT ENTERTAINMENT LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

14. Income tax

	2022	2021
	£000	£000
Analysis of tax charge in the year		
Current tax		
UK corporation tax charge on profit/(loss) for the year	1,016	726
Overseas tax charge on profit for the year	245	42
Deferred tax		
Origination and reversal of timing differences	19	(912)
Deferred tax charge to the statement of comprehensive income during the year	(86)	(66)
Changes to tax rates	(30)	-
Tax on profit/(loss) on ordinary activities	1,164	(210)
 Profit/(loss) on ordinary activities in the year	 2,178	 (4,525)
 Tax on profit/(loss) on ordinary activities at rate of 19% (2021 – 19%)	 414	 (860)
Effects of:		
Expenses not deductible for tax purposes	3,305	263
Income not chargeable for tax purposes	(1,666)	(737)
Non-tax deductible amortisation of goodwill and impairment	-	167
Depreciation in excess of capital allowances	(17)	(6)
Different tax rates used in overseas jurisdictions	325	(217)
Adjustment to tax charge in respect of prior periods	(957)	1,190
Movement in short term timing differences	25	10
Other deferred tax movements	14	(1,229)
Deferred tax not recognised	1,781	1,012
Losses utilised	-	110
Other adjustments	(393)	(80)
Fixed asset differences	(5)	(11)
Movement in deferred tax not recognised	230	101
Adjustments to brought forward values	78	(18)
Group relief surrendered	-	-
Group income	(1,970)	15
Tax on profit/(loss) on ordinary activities	1,164	(210)

Factors that may affect future tax charges

A deferred tax asset of £5,189k (2021 – £3,408k) has not been recognised arising principally from tax losses carried forward of £26,255k (2021 – £16,881k). The directors believe it is prudent not to recognise the deferred tax asset within the financial statements.

SUPERSTRUCT ENTERTAINMENT LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

15. Deferred taxation

Group

	2022
	£000
At beginning of year as previously stated	2,768
Restatement	916
At the beginning of the year as restated	3,684
Acquisitions	483
Charge to consolidated profit or loss	(86)
At end of year	4,081

The provision for deferred taxation is made up as follows:

	2022	2021
	£000	as restated
		£000
Intangibles recognised on acquisition	5,004	3,786
Prior year adjustment	-	916
Fixed asset timing differences	(259)	(382)
Short term temporary differences	(139)	(41)
Losses carried forward	(525)	(595)
	4,081	3,684

SUPERSTRUCT ENTERTAINMENT LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

16. Goodwill

Group	Goodwill £000
Cost	
At 1 January 2021	75,688
Exchange differences	(1,756)
Additions	2,804
At 31 December 2021 as previously stated	76,736
Restatement	2,926
At 31 December 2021 as restated	79,662
Exchange differences	1,667
Additions	13,071
At 31 December 2022	94,400
Impairment	
At 1 January 2021 and 31 December 2021	5,429
Impairment	2,347
At 31 December 2022	7,776
Net book value	
At 31 December 2022	86,624
At 31 December 2021 as restated	74,233

The impairment losses were recognised in the income statement as administrative expenses. See note 19 for further details on impairment of assets.

SUPERSTRUCT ENTERTAINMENT LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

17. Intangible fixed assets

Group	Brands £000	Patents £000	Development £000	Total £000
Cost				
At 1 January 2021	24,606	2,621	5,921	33,148
Additions	7,449	-	3	7,452
Exchange differences	(563)	-	(10)	(573)
At 31 December 2021 as previously stated	31,492	2,621	5,914	40,027
Restatement	(4,480)	-	-	(4,480)
At 31 December 2021 as restated	27,012	2,621	5,914	35,547
Additions	3,614	13	53	3,680
Exchange differences	553	-	-	553
At 31 December 2022	31,179	2,634	5,967	39,780
Amortisation and impairment				
At 1 January 2021	12,128	1,935	4,268	18,331
Charge for the year	4,454	249	626	5,329
Exchange differences	(285)	-	(3)	(288)
At 31 December 2021 as previously stated	16,297	2,184	4,891	23,372
Charge for the year	1,953	251	8	2,212
Impairment	764	-	-	764
At 31 December 2022	19,014	2,435	4,899	26,348
Net book value				
At 31 December 2022	12,165	199	1,068	13,432
At 31 December 2021 as restated	10,715	437	1,023	12,175

The impairment losses in the year were recognised in the income statement as administrative expenses. See note 19 for further details on impairment of assets.

SUPERSTRUCT ENTERTAINMENT LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

17. Intangible fixed assets (continued)

Company

	Total £000
Cost	
At 1 January 2021	7
Disposals	(7)
At 31 December 2021	-
At 31 December 2022	-
Amortisation	
At 1 January 2021	7
On disposals	(7)
At 31 December 2021	-
At 31 December 2022	-
Net book value	
At 31 December 2022	-
At 31 December 2021	-

SUPERSTRUCT ENTERTAINMENT LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

18. Tangible fixed assets

Group	Long term Leasehold Improve ments £000	Computer Equipment £000	Plant and Machinery £000	Fixtures and Fittings £000	Right of Use Asset £000	Total £000
Cost						
At 1 January 2021	3	205	887	1,336	908	3,339
Additions	424	32	75	345	1,008	1,884
Disposals	(3)	-	(224)	(189)	(376)	(792)
Foreign exchange differences	-	1	(24)	(2)	-	(25)
At 31 December 2021	424	238	714	1,490	1,540	4,406
Additions	40	58	120	1,067	1,155	2,440
Additions on acquisitions	-	7	31	150	61	249
Disposals	-	-	(60)	(309)	-	(369)
At 31 December 2022	464	303	805	2,398	2,756	6,726
Depreciation						
At 1 January 2021	3	164	588	1,119	499	2,373
Charge for the year on owned assets	-	28	230	138	-	396
Charge for the year on right-of-use assets	-	-	-	-	218	218
Disposals	(3)	-	(224)	(183)	(376)	(786)
Foreign exchange differences	-	2	(15)	2	-	(11)
At 31 December 2021	-	194	579	1,076	341	2,190

SUPERSTRUCT ENTERTAINMENT LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

18. Tangible fixed assets (continued)

	Long term Leasehold Improvements	Computer Equipment	Plant and Machinery	Fixtures and Fittings	Right of Use Asset	Total
	£000	£000	£000	£000	£000	£000
Charge for the year on owned assets	98	25	52	344	-	519
Charge for the year on right-of-use assets	-	-	-	-	584	584
Disposals	-	-	(58)	(19)	-	(77)
Foreign exchange differences	-	-	-	51	-	51
At 31 December 2022	98	219	573	1,452	925	3,267
Net book value						
At 31 December 2022	366	84	232	946	1,831	3,459
At 31 December 2021	424	44	135	414	1,199	2,216

SUPERSTRUCT ENTERTAINMENT LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

18. Tangible fixed assets (*continued*)

Company	Long-term leasehold improvements £000	Computer Equipment £000	Fixtures and Fittings £000	Right of Use Asset £000	Total £000
Cost					
At 1 January 2021	-	37	26	353	416
Additions	424	29	128	805	1,386
Disposals	-	-	(18)	(376)	(394)
At 31 December 2021	424	66	136	782	1,408
Additions	41	44	9	-	94
At 31 December 2022	465	110	145	782	1,502
Depreciation					
At 1 January 2021	-	16	12	235	263
Charge for the year on owned assets	-	18	9	-	27
Charge for the year on right-of-use assets	-	-	-	180	180
Disposals	-	-	(12)	(376)	(388)
At 31 December 2021	-	34	9	39	82
Charge for the year on owned assets	97	19	36	-	152
Charge for the year on right-of-use assets	-	-	-	159	159
At 31 December 2022	97	53	44	198	393
Net book value					
At 31 December 2022	368	57	101	583	1,109
At 31 December 2021	424	32	128	741	1,326

19. Impairment of assets

Brands and patents which arise from the acquisition of businesses are deemed not to have indefinite lives.

Goodwill acquired in a business combination is allocated at acquisition to the cash-generating units (CGUs) that are expected to benefit from that business combination.

Details of cash generating units to which goodwill has been allocated where the allocated goodwill is significant in comparison to total goodwill is as follows:

Goodwill carrying amount

	2022	2021
	£000	£000
Cash-generating units (CGU):		
Boardmasters	13,079	13,079
Down The Drain	13,482	12,753
Fuzzy	21,845	20,907
Victorious	7,892	7,892
	<u>56,298</u>	<u>54,631</u>

The group tests CGUs for impairment annually, or more frequently if there are indicators of impairment. Goodwill, intangibles recognised at acquisition and net assets are allocated to CGUs for the purpose of the impairment review. The recoverable amounts of the CGUs have been determined using fair value less cost of disposal.

Significant judgements, assumptions and estimates

In determining the fair value less cost of disposal of the CGUs, it is necessary to make a series of assumptions to estimate the fair value. These key assumptions have been made by management reflecting past experience, current trends and where applicable relevant external sources of information. The key assumptions for the fair value less costs of disposal calculations are as follows:

EBITDA

For the current year, management has taken the decision to calculate the fair value using the forecasted EBITDA for 2023. Management deems this to be an accurate reflection of the current performance if COVID-19 had not occurred, therefore no present value discount has been applied to the forecasted EBITDA.

EBITDA multiplier

In determining the fair value, management has used an EBITDA multiplier. The multiplier applied by management is specific to the group and is applied throughout the group when determining fair value of CGUs.

Costs of disposal of the CGUs

Management have taken a prudent approach and applied the costs of acquisition as the costs of disposal when calculating the recoverable amount.

SUPERSTRUCT ENTERTAINMENT LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

19. Impairment of assets (continued)

Results

The estimated recoverable amount for the identified significant CGUs exceeds the carrying value by approximately 500% and as such no impairment was necessary. Impairment on non-significant CGUs during the year was £2.3m (2021 - £NIL).

Sensitivity analysis

The results of the group's impairment test are dependent upon estimates and judgements made by management, particularly in relation to the key assumptions described above. In management's opinion, EBITDA is the only key assumption susceptible to a reasonable possible change that could lead to the carrying value of the significant CGUs exceeding their recoverable amount. Sensitivity analysis to EBITDA for each significant CGU has therefore been reviewed. Before an impairment loss is incurred, EBITDA of the significant CGUs would have to decrease as follows:

Cash generating units (CGU):	Decrease in EBITDA
Boardmasters	87%
Down The Drain	90%
Fuzzy	11%
Victorious	73%

20. Fixed asset investments

Company	Investment in subsidiaries £000
Cost	
At 1 January 2021	43,187
Additions	4
Disposals	(3)
At 31 December 2021	43,188
Additions (Note 33)	2,211
At 31 December 2022	45,399
Net book value	
At 31 December 2022	45,399
At 31 December 2021	43,188

During the year, a group reconstruction was undertaken, whereby Superstruct Entertainment Limited's investment in Tramlines Events Limited was acquired by Superstruct UK Festivals Ltd. 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 of Superstruct UK Festivals Ltd have elected, under section 615 of the Companies Act 2006, to record the investment at its previous carrying value immediately prior to the transaction, being £4,279k, rather than fair value.

SUPERSTRUCT ENTERTAINMENT LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

Subsidiary undertakings:

The following were subsidiary undertakings of the group:

Name	Country of incorporation	Class of shares	Holding	Principal activity
Superstruct Australia Holdings Pty	Australia	Ordinary	51%	Holding company for investments in subsidiaries which operate and develop music festivals.
Fuzzy Project Pty Ltd	Australia	Ordinary	51% <i>Indirect</i>	Holding company for investments in subsidiaries which operate and develop music festivals.
Field Day New Years Day Pty Ltd	Australia	Ordinary	37.6% <i>Indirect</i>	Operation and development of a music festival.
Fuzzy Labour Pty Ltd	Australia	Ordinary	51% <i>Indirect</i>	Provision of services to music festivals.
Fuzzy JV Pty Ltd	Australia	Ordinary	51% <i>Indirect</i>	Holding company for investments in subsidiaries which operate and develop music festivals.
Fuzzy Operations NZ Ltd	New Zealand	Ordinary	51% <i>Indirect</i>	Operation and development of music festivals.
Fuzzy Operations Pty Ltd	Australia	Ordinary	51% <i>Indirect</i>	Provision of services to music festivals.
Now Tickets Pty Ltd	Australia	Ordinary	51% <i>Indirect</i>	Provision of services to music festivals.
GTM Festivals Pty Limited	Australia	Ordinary	35.7% <i>Indirect</i>	Operation and development of music festivals.
Fuzzy Tours Pty Ltd	Australia	Ordinary	51% <i>Indirect</i>	Organising and promoting music tours.
The Domain Canopy Group Pty Limited	Australia	Ordinary	100%	Operation and development of music festivals.
Superstruct Denmark Holdings Aps	Denmark	Ordinary	100%	Holding company for investments in subsidiaries which operate and develop music festivals.
DTD Holdings Aps	Denmark	Ordinary	100% <i>Indirect</i>	Holding company for investments in subsidiaries which operate and develop music festivals.
Northside Entertainment Aps	Denmark	Ordinary	100% <i>Indirect</i>	Operation and development of a music festival.
Tinderbox Entertainment Aps	Denmark	Ordinary	100% <i>Indirect</i>	Operation and development of a music festival.
Haven Festival Aps	Denmark	Ordinary	77% <i>Indirect</i>	Dormant entity.
Komos Festival Aps	Denmark	Ordinary	100% <i>Indirect</i>	Dormant entity.
DTD Concerts Aps	Denmark	Ordinary	90% <i>Indirect</i>	Organisation of concerts.
DTD Production Aps	Denmark	Ordinary	100% <i>Indirect</i>	Provision of services to music festivals.
DTD Crowd Safety Aps	Denmark	Ordinary	100% <i>Indirect</i>	Provision of services to music festivals.
DTD Rental Aps	Denmark	Ordinary	100% <i>Indirect</i>	Provision of services to music festivals.
DTD Production Crew Aps	Denmark	Ordinary	50% <i>Indirect</i>	Provision of services to music festivals.

SUPERSTRUCT ENTERTAINMENT LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

Name	Country of incorporation	Class of shares	Holding	Principal activity
DTD Projects Aps	Denmark	Ordinary	100% <i>Indirect</i>	Provision of services to music festivals.
Superstruct UK Festivals Ltd	England and Wales	Ordinary	100%	Holding company for investments in subsidiaries which operate and develop music festivals.
Superstruct Kendal Limited*	England and Wales	Ordinary	60% <i>Indirect</i>	Holding company for investments in subsidiaries which operate and develop music festivals.
Lakeside Creatives Limited	England and Wales	Ordinary	60% <i>Indirect</i>	Operation and development of a music festival.
Superstruct UK InvestCo Limited*	England and Wales	Ordinary	100% <i>Indirect</i>	Holding company for investments in subsidiaries which operate and develop music festivals.
Moving Music Limited	England and Wales	Ordinary	75% <i>Indirect</i>	Holding company for investments in subsidiaries which operate and develop music festivals.
The Hideout Festival LLP	England and Wales	Ordinary	80% <i>Indirect</i>	Operation and development of a music festival.
Boardmasters Limited	England and Wales	Ordinary	100% <i>Indirect</i>	Operation and development of a music festival.
Boardmasters II Limited*	England and Wales	Ordinary	100% <i>Indirect</i>	Dormant entity.
Eleven Limited	England and Wales	Ordinary	100% <i>Indirect</i>	Dormant entity.
Lock 'N' Load Events Limited	England and Wales	Ordinary	100% <i>Indirect</i>	Operation and development of a music festival.
Victorious Festivals Limited	England and Wales	Ordinary	65.50% <i>Indirect</i>	Operation and development of a music festival.
Lost Ventures Limited	England and Wales	Ordinary	85%	Operation and development of a music festival.
Truck Festivals UK Limited	England and Wales	Ordinary	100%	Operation and development of a music festival.
Tramlines Enterprises Limited*	England and Wales	Ordinary	100%	Holding company for an investment in a subsidiary which operates and develops music festivals.
Tramlines Events Limited	England and Wales	Ordinary	100% <i>Indirect</i>	Operation and development of a music festival.
Vision Nine Holdings Limited	England and Wales	Ordinary	60.59%	Holding company for an investment in a subsidiary which operates and develops music festivals.
Vision Nine Entertainment Group Limited	England and Wales	Ordinary	60.59% <i>Indirect</i>	Operation and development of a music festival.
Vision Nine HQ Limited	England and Wales	Ordinary	60.59% <i>Indirect</i>	Dormant entity.
Vision Nine Events Limited*	England and Wales	Ordinary	60.59% <i>Indirect</i>	Dormant entity.
Arc Live Limited*	England and Wales	Ordinary	60.59% <i>Indirect</i>	Dormant entity.
NASS Festival Limited	England and Wales	Ordinary	60.59% <i>Indirect</i>	Operation and development of a music festival.
Sports Vision (International) Limited*	England and Wales	Ordinary	60.59% <i>Indirect</i>	Dormant entity.
BM Management Limited	England and Wales	Ordinary	60.59% <i>Indirect</i>	Dormant entity.

SUPERSTRUCT ENTERTAINMENT LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

Name	Country of incorporation	Class of shares	Holding	Principal activity
Vision Nine Limited*	England and Wales	Ordinary	60.59% <i>Indirect</i>	Dormant entity.
Vision Nine Management Limited*	England and Wales	Ordinary	60.59% <i>Indirect</i>	Dormant entity.
Get on Vision Limited*	England and Wales	Ordinary	60.59% <i>Indirect</i>	Dormant entity.
Freeze London Limited	England and Wales	Ordinary	60.59% <i>Indirect</i>	Dormant entity.
Discover the Bluedot Limited	England and Wales	Ordinary	100%	Operation and development of a music festival.
Y Not Festivals UK Limited	England and Wales	Ordinary	100%	Operation and development of a music festival.
From The Fields Limited	England and Wales	Ordinary	100%	Holding company for investments in subsidiaries which operates and develops music festivals.
FTF2 Ltd	England and Wales	Ordinary	100% <i>Indirect</i>	Operation and development of a music festival.
FTF Touring Ltd	England and Wales	Ordinary	100% <i>Indirect</i>	Organising and promoting music tours.
FTF Partnerships Ltd	England and Wales	Ordinary	100% <i>Indirect</i>	Provision of services to music festivals.

The results of the above subsidiaries are included in the consolidated financial statements. The addresses of the registered offices are as follows:

- Australian subsidiaries - Suite 53, Marlborough Street, Surry Hills, NSW 2010;
- Fuzzy Operations NZ Ltd - TMF Group, Level 11, 41 Shortland Street, Auckland 1010, New Zealand;
- Danish subsidiaries - Studsgade 35 B, St. DK-8000 Aarhus C;
- UK subsidiaries - 7th Floor, 364-366 Kensington High Street, London, W14 8NS.

*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, Vision Nine Limited and Tramlines Enterprises Limited were dissolved on 28 March 2023. Boardmasters II Limited was dissolved on 4 April 2023.

21. Stocks

	Group 2022 £000	Group 2021 £000	Company 2022 £000	Company 2021 £000
Finished goods and goods for resale	151	105	-	-

SUPERSTRUCT ENTERTAINMENT LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

22. Trade and other receivables

Amounts falling due within one year

	Group	Group	Company	Company
	2022	2021 as	2022	2021
	£000	restated	£000	£000
		£000		
Trade receivables	9,313	10,738	291	38
Amounts owed by group undertakings	-	-	17,651	20,389
Other receivables	5,184	9,511	214	336
Deferred taxation	16	-	-	-
Prepayments and accrued income	4,810	5,812	523	126
	19,323	26,061	18,679	20,889

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

Amounts falling due after one year

	Group	Group	Company	Company
	2022	2021	2022	2021 as
	£000	£000	£000	restated
				£000
Amounts owed by group undertakings	-	-	6,458	6,511

23. Cash and cash equivalents

	Group	Group	Company	Company
	2022	2021 as	2022	2021
	£000	restated	£000	£000
		£000		
Cash at bank and in hand	33,702	26,316	2,450	1,680
Less: bank overdrafts	(50)	(16)	-	-
	33,652	26,300	2,450	1,680

24. Trade and other payables

Amounts falling due within one year

	Group	Group	Company	Company
	2022	2021 as	2022	2021
	£000	restated	£000	£000
		£000		
Bank overdrafts	50	16	-	-
Trade payables	8,266	3,143	579	44
Amounts due to group undertakings	282	282	2,558	573
Corporation tax	1,730	829	-	-
Other taxation and social security	3,850	1,365	1,769	565
Lease liabilities (note 26)	652	223	110	48
Other creditors	10,774	4,711	4,135	962
Accruals and deferred income	22,880	39,087	70	154
	48,484	49,656	9,221	2,346

Amounts owed to group undertakings are unsecured, repayable on demand and carry no interest.

SUPERSTRUCT ENTERTAINMENT LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

24. Trade and other payables

Amounts falling due after more than one year

	Group	Group	Company	Company
	2022	2021 as	2022	2021
	£000	restated	£000	£000
		£000		
Lease liabilities (note 26)	1,320	936	549	683
Deferred taxation (note 15)	4,081	3,684	-	-
Amounts due to group undertakings	76,046	56,990	45,573	42,462
Other loans	1,937	35	-	-
Accruals and deferred income	-	627	-	-
Other creditors	14,999	10,806	6,139	9,162
	98,383	73,078	52,261	52,307

Amounts owed to group undertakings are unsecured, repayable after 5 years and carry interest rates of 5.75% - 6.75%.

Company - call options

The company has entered into agreements to purchase subsidiary company non-controlling interest shareholdings for Superstruct Australia Holdings Pty Ltd, Lost Ventures Limited and Vision Nine Holdings Limited. The gross liability of these options at 31 December 2022 for Superstruct Australia Holdings Pty Ltd was £8,291k (2021 - £7,029k), the gross liability of these options at 31 December 2022 for Lost Ventures Limited was £1,972k (2021 - £3,091k) and the gross liability of these options at 31 December 2022 for Vision Nine Holdings Limited was £NIL (2021 - £NIL). The gross liability of all options are included in other creditors.

During the year, the Lost Ventures Limited first minority buyout option was exercised and Superstruct Entertainment Limited acquired an additional 15% shareholding in Lost Ventures Limited. The gross value of this option brought forward was £957k included within other creditors due within one year, and which has been exercised in full during the year, resulting in its release in full from other reserves.

Group – put and call options

Superstruct UK Festivals Ltd 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 £7,235k (2021 - £2,674k) and they are included within other creditors.

Superstruct Australia Holdings Pty Ltd has entered into put options in relation to the acquisition of GTM Festivals Pty Ltd. The gross liability of these options for Superstruct Australia Holdings Pty Ltd is £1,599k (2021 - £1,520k).

25. Pension commitments

The group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £367k (2021 - £116k). The contributions payable to the fund at the statement of financial position date were £10k (2021 - £7k).

SUPERSTRUCT ENTERTAINMENT LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

26. Lease liabilities

Group as a lessee

The leases are for office premises and event premises.

Lease liabilities are due as follows:

	2022	2021
	£000	£000
Not later than one year	652	223
Between one year and five years	1,320	936
	<u>1,972</u>	<u>1,159</u>

Amounts recognised in the consolidated statement of profit or loss

The consolidated statement of profit or loss shows the following amounts relating to leases:

	2022	2021
	£000	£000
Depreciation charge of right-of-use assets	584	220
Interest expense (included in interest payable)	<u>137</u>	<u>55</u>

The total cash outflows for leases in 2022 was £801k (2021 - £423k).

Company as a lessee

The leases are for office premises.

Lease liabilities are due as follows:

	2022	2021
	£000	£000
Not later than one year	110	48
Between one year and five years	549	683
	<u>659</u>	<u>731</u>

Amounts recognised in the statement of profit or loss

The statement of profit or loss shows the following amounts relating to leases:

	2022	2021
	£000	£000
Depreciation charge of right-of-use assets	159	180
Interest expense (included in interest payable)	<u>46</u>	<u>22</u>

The total cash outflows for leases in 2022 was £222k (2021 - £189k).

27. Issued share capital

Company

	2022	2021
	£000	£000
Allotted, called up and fully paid		
1,010 (2021 – 1,010) ordinary shares of £1 each	<u>1</u>	<u>1</u>

The holders of ordinary shares are entitled to receive dividends from time to time and are entitled to one vote per share at meetings of the company. There are no restrictions on the distribution of dividends and the repayment of capital.

SUPERSTRUCT ENTERTAINMENT LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

28. Financial instruments

The risk factors that the group faces are listed below. These are reviewed and monitored by the management team.

Interest rate risk

The group is exposed to movements in interest rates in respect of its borrowings and deposit balances.

Liquidity risk

The group's principal financial instrument is cash. The group 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 group.

Credit risk

The group's principal financial assets are bank balances, cash and trade and other receivables. The group's credit risk is primarily attributable to its trade receivables. The group operates to ensure that the payment terms of customers are matched to the group's own contractual obligations in terms of delivery of contracted services. The group 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 group'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 group considers historic, current and forward looking information including macroeconomic conditions, in order to assess an appropriate provision. The group 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 set out above.

The ageing of trade receivables that have not been provided for are:

	Group 2022 £000	Group 2021 £000	Company 2022 £000	Company 2021 £000
Neither past due nor impaired	1,711	-	-	-
Not due yet				
0-29 days	3,926	2,328	43	38
Overdue				
30-59 days	424	4,454	-	-
60-89 days	1,751	546	62	-
90-119 days	1,133	3,259	-	-
120+ days	368	151	186	-
	9,313	10,738	291	38
Trade debtors in current assets	9,313	10,738	291	38
Trade debtors in non-current assets	-	-	-	-
	9,313	10,738	291	38

SUPERSTRUCT ENTERTAINMENT LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

28. Financial instruments (continued)

Currency risk

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

Capital risk management

The group's objectives when managing capital are to safeguard the group'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 group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets.

	Group	Group	Company	Company
	2022	2021	2022	2021
	£000	£000	£000	£000
Financial assets				
Financial assets measured at fair value through profit or loss	33,702	26,316	2,450	1,680
Financial assets that are debt instruments measured at amortised cost	14,676	20,249	24,613	27,274
Financial liabilities				
Financial liabilities measured at amortised cost	137,206	116,856	59,713	54,088

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, lease liabilities, other creditors and accruals.

SUPERSTRUCT ENTERTAINMENT LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

29. Reconciliation of loss for the period to operating cash flow

	Group 2022 £000	Group 2021 £000	Company 2022 £000	Company 2021 £000
Profit/(loss) for the financial year	1,014	(4,314)	(6,328)	(4,752)
Taxation on profit/(loss)	1,164	(211)	-	-
Profit/(loss) before taxation	2,178	(4,525)	(6,328)	(4,752)
Finance income	(6)	(98)	(460)	(36)
Finance expense	4,499	3,289	2,905	2,205
Profit/loss before finance income, finance costs and income tax	6,671	(1,334)	(3,883)	(2,547)
Depreciation of property, plant and equipment	1,103	614	311	206
Amortisation of intangible assets	2,212	5,329	-	-
Impairment of intangibles	3,111	-	-	-
Fair value movements	-	-	-	523
(Increase)/decrease in stocks	(46)	71	-	-
(Increase)/decrease in trade and other receivables	21,687	(14,581)	(543)	(424)
Decrease/(increase) in trade and other payables	(24,257)	21,459	1,608	1,054
Differences on foreign exchange	(2,356)	992	-	(20)
Corporation tax (paid)/refund	(284)	310	-	-
Cash generated from/(used in) operating activities	7,841	12,860	(2,507)	(1,208)

30. Analysis of changes in net funds

Group	1 January 2022 £000	Cash flow £000	FX movement £000	31 December 2022 £000
Cash and cash equivalents	26,300	6,869	483	33,652
Company	1 January 2022 £000	Cash flow £000	FX movement £000	31 December 2022 £000
Cash and cash equivalents	1,680	770	-	2,450

31. Reserves

Share premium account

The ordinary shares described in note 27 were issued at a price higher than their par value.

The share premium account is a non-distributable reserve which represents the excess of proceeds received over the nominal value of the shares issued.

Profit and loss account

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

Other reserves

The other reserve is a non-distributable reserve arising from fair value movements on put and call options.

Foreign exchange reserve

The foreign exchange reserve is non-distributable and represents the cumulative difference on retranslation of the results of overseas subsidiaries on consolidation.

32. Prior year adjustments

Recognition of options

The directors have identified that options in relation to the purchase of GTM Festivals Pty Ltd had not been correctly recognised in the prior year in the consolidated statement of changes in equity and the consolidated balance sheet. The effect of the restatement in the prior year is a decrease of £1,520k in opening other reserves and an increase in other financial liabilities of £1,520k.

Acquisition accounting

Following the completion of the acquisition of 70% shareholding of GTM Festivals Pty Ltd on 13 December 2021 the Group performed an exercise of more precise allocation of intangibles on acquisition, which resulted in material changes to what had been reported in the 31 December 2021 financial statements. The prior year consolidated statement of financial position was restated as follows:

- Trade receivables increased by £492k.
- Trade payables decreased by £24k.
- Deferred tax liabilities increased by £898k.
- The value of the brand decreased by £4,480k.
- Goodwill increased by £2,926k.
- Equity attributable to the NCI was increased by £1,936k.

Trust Account

It was identified that at 31 December 2021, a Trust Account was incorrectly classified as cash. The comparatives have been restated to include this amount in trade and other receivables.

Event transactions

It was identified that as at 31 December 2021, additional transactions associated with the Field Day event occurring in January 2022 had not been recognised. The comparatives have been restated as follows:

- Deferred tax liabilities increased by £18k.
- Equity attributable to non-controlling interests was decreased by £93k.
- Income tax benefit was decreased by £18k.

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32. Prior year adjustments (continued)

Fair value movements on call and put options

In the prior year, in both the consolidated and individual financial statements, 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.

Intercompany loan

The directors have identified that the recognition of a loan from Superstruct Holding S.à.r.l. to Superstruct Entertainment Limited and a loan from Superstruct Entertainment Limited to Superstruct Australia Holdings Pty Ltd had not been correctly recognised in the prior year balance sheet. The comparatives have been restated accordingly. The effect of the restatement is an increase of £6,511k in debtors due after more than one year and an increase in creditors due after one year of £6,511k.

33. Business combinations

Acquisition of Y Not Festivals UK Limited

On 25 October 2022, the group acquired 100% of Y Not Festivals UK Limited, a company whose principal activity is the operation of a music festival. Management have elected to use a convenience date for acquisition accounting, being 31 December 2022, given the lack of verifiable information as at the acquisition date.

The fair value of the identifiable assets and liabilities of Y Not Festival Festivals UK Limited at the date of acquisition were:

Group	Fair value - GBP £000
Cash and cash equivalents	91
Trade and other receivables	59
Property, plant and equipment	206
Intangible assets recognised on acquisition	1,130
Trade and other payables	(71)
Deferred revenue	(118)
Deferred tax liability	(282)
Total identifiable net assets	1,015
NCI share of net assets	-
Goodwill	1,457
Total purchase consideration	2,472

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Consideration

Cash	2,400
Settlement of loans	72
Total consideration	2,472

The fair value of the trade receivables amounts to £59k. The gross value of trade receivables is £115k net of a provision for doubtful debt of £56k.

The sale and purchase agreement entered into between the group and the former owners of Y Not Festivals UK Limited includes certain customary protections in terms of indemnities and guarantees from the former owners of Y Not Festivals UK Limited.

The deferred tax liability mainly comprises the tax effect of separately identifiable intangible assets recognised at acquisition.

The goodwill comprises the value of expected synergies arising from the acquisition, and opportunities that the group will bring to the festival. None of the goodwill recognised is expected to be deductible for income tax purposes.

The results of Y Not Festivals UK Limited since its acquisition have not been disclosed as the date of acquisition has been deemed to be 31 December 2022.

Acquisition of Discover the Bluedot Limited

On 31 March 2022, the group acquired 100% of Discover the Bluedot Limited, a company whose principal activity is the operation of a music festival. Management have elected to use a convenience date for acquisition accounting, being 1 January 2022, given the lack of verifiable information as at the acquisition date.

The fair value of the identifiable assets and liabilities of Discover the Bluedot Limited at the date of acquisition were:

Group

	Fair value - GBP £000
Cash and cash equivalents	1,294
Other assets	466
Intangible assets recognised on acquisition	919
Trade and other payables	(1,764)
Long term liabilities	(47)
Deferred tax liability	(230)
Total identifiable net assets	638
NCI share of net assets	-
Goodwill	4,097
Total purchase consideration	4,735

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Consideration

Cash	4,251
Settlement of loans	(16)
Contingent Consideration	500
Total consideration	4,735

The sale and purchase agreement entered into between the group and the former owners of Discover the Bluedot Limited includes certain customary protections in terms of indemnities and guarantees from the former owners of Discover the Bluedot Limited.

The deferred tax liability mainly comprises the tax effect of separately identifiable intangible assets recognised at acquisition.

The goodwill comprises the value of expected synergies arising from the acquisition, and opportunities that the group will bring to the festival. None of the goodwill recognised is expected to be deductible for income tax purposes.

Contingent Consideration

As part of the purchase agreement with the former owners of Discover the Bluedot Limited, a contingent consideration has been agreed. There will be additional cash payments of:

- a) £500k, if the entity generates between £425k to £750k of Adjusted EBITDA in the 12-month period ended 31 December 2022; or
- b) £1,140k if the entity generates £750k or more of Adjusted EBITDA in the 12-month period ended 31 December 2022.

As at the acquisition date, the fair value of the contingent consideration was estimated to be £500k.

As at the year end date, £250k had been paid, with the remaining £250k still due.

The results of Discover the Bluedot Limited since its acquisition are as follows:

Group	Fair value - GBP £000
Turnover	4,749
Profit for the period	435

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Acquisition of Nass & Vision Nine

On 7 June 2022, the group acquired 60.59% of the voting shares of Vision Nine Holdings Limited. Vision Nine Holdings Limited is the parent entity of the following:

- Arc Live
- BM Management
- Freeze London
- Get On Vision
- NASS
- Sports Vision
- Vision Nine Entertainment Group
- Vision Nine Events
- Vision Nine HQ
- Vision Nine Limited
- Vision Nine Management Limited

The fair value of the identifiable assets and liabilities of Vision Nine Holdings Limited at the date of acquisition were:

Group	Fair value - GBP £000
Cash and cash equivalents	444
Trade and other receivables	13,247
Other assets	504
Property, plant and equipment	197
Intangible assets acquired	138
Intangible assets recognised on acquisition	865
Deferred tax assets	479
Trade and other payables	(8,640)
Deferred revenue	(9,372)
Long term liabilities	(874)
Deferred tax asset	5
Deferred tax liability recognised on acquisition	(216)
Total identifiable net assets	(3,223)
NCI share of net assets	1,526
Goodwill	2,347
Total purchase consideration	650

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Consideration

Cash	215
Contingent Consideration	435
Total consideration	650

The sale and purchase agreement entered into between the group and the former owners of Vision Nine Holdings Limited includes certain customary protections in terms of indemnities and guarantees from the former owners of Vision Nine Holdings Limited.

The deferred tax liability mainly comprises the tax effect of separately identifiable intangible assets recognised at acquisition.

The goodwill comprises the value of expected synergies arising from the acquisition, and opportunities that the group will bring to the festival. None of the goodwill recognised is expected to be deductible for income tax purposes.

Contingent Consideration

As part of the purchase agreement with the former owners of Vision Nine Holdings Limited, a contingent consideration had been agreed. An additional cash payment of £429k was made to the buyer on receipt by the company of the site licence for the 2023 Nass Festival.

The contingent consideration was paid to the former owners on 29 September 2022.

The results of Vision Nine Holdings Limited since its acquisition are as follows:

Group	Fair value - GBP £000
Turnover	5,260
Loss for the period	4,150

Acquisition of From the Fields Limited

On 25 March 2022, the group acquired 100% of the voting shares of From the Fields Limited, and its underlying subsidiaries: -FTF2 Ltd -FTF Touring Ltd -FTF Partnerships Ltd Management have elected to use a convenience date for acquisition accounting, being 1 January 2022, given the lack of verifiable information as at the acquisition date.

The From the Fields Group of companies are UK registered and their principal activities comprise running of and operational support for events.

The fair value of the identifiable assets and liabilities of From the Fields at the date of acquisition were:

Group		
	Fair value - GBP £000	
Cash and cash equivalents	951	
Trade and other receivables	671	
Property, plant and equipment	40	
Intangible assets recognised on acquisition	700	
Trade and other payables	(990)	
Long term liabilities	(51)	
Deferred tax liability	(175)	
Total identifiable net assets	1,146	
NCI share of net assets	-	
Goodwill	2,708	
Total purchase consideration	3,854	
Consideration		
Cash	1,463	
Loan notes issued	1,798	
Contingent consideration	400	
Deferred consideration	193	
Total consideration	3,854	

The sale and purchase agreement entered into between the group and the former owners of From the Fields Limited includes certain customary protections in terms of indemnities and guarantees from the former owners of From the Fields Limited.

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The deferred tax liability mainly comprises the tax effect of separately identifiable intangible assets recognised at acquisition.

The goodwill comprises the value of expected synergies arising from the acquisition, and opportunities that the group will bring to the events. None of the goodwill recognised is expected to be deductible for income tax purposes.

Contingent Consideration

As part of the purchase agreement with the former owners of From the Fields Limited, a contingent consideration had been agreed. An additional cash payment of £106k was made to the buyer on receipt by the company of a grant due to them.

There will be additional cash payments of:

- a) £NIL, if the entity generates less than £650k of Adjusted EBITDA in the 12-month period ended 31 December 2022; or
- b) £400k if the entity generates £650k or more of Adjusted EBITDA in the 12-month period ended 31 December 2022.

As at the acquisition date, the fair value of the contingent consideration was estimated to be £400k.

There will be additional cash payments of:

- c) £33k, if From the Fields Partnerships generates equal to or more than £500k of sponsorship revenue for Kendall Calling 2022; and/or
- d) £33k if the same entity generates £500k or more of sponsorship revenue for Discover the Bluedot festival 2022.

The results of From the Fields Limited since its acquisition are as follows:

Group	Fair value - GBP
	£000
Turnover	4,736
Profit for the period	564

34. Related party transactions

Group

The group has loans payable to its immediate parent, Superstruct Holding S.à r.l. totalling £76.3m (2021 - £57.3m). The loans are unsecured, bear interest at 5.75% to 6.75% and are repayable after more than five years.

Company

At 31 December 2022 the company had an outstanding loan receivable from Superstruct Australia Holdings Pty Limited, a company under common control, of £6,458k (31 December 2021 - £6,511k). The loan bears no interest and is due to be repaid in December 2027.

The company's parent entity is Superstruct Holding S.a.r.l. At 31 December 2022 the company had an outstanding loan payable to Superstruct Holding S.a.r.l. of £282k (31 December 2021 - £282k). The loan bears no interest and is repayable on demand.

At 31 December 2022 the company had an outstanding loan payable to Superstruct Holding S.a.r.l. of £27,480k (31 December 2021 - £25,715k). The loan bears interest at 6.75% and is due to be repaid in April 2029.

At 31 December 2022 the company had an outstanding loan payable to Superstruct Holding S.a.r.l. of £1,147k (31 December 2021 - £NIL). The loan bears interest at 8.7% and is due to be repaid in May 2027.

At 31 December 2022 the company had an outstanding loan payable to Superstruct Holding S.a.r.l. of £7,899k (31 December 2021 - £7,470k). The loan bears interest at 5.75% and is due to be repaid in July 2029.

At 31 December 2022 the company had an outstanding loan payable to Superstruct Holding S.a.r.l. of £2,897k (31 December 2021 - £2,740k). The loan bears interest at 5.75% and is due to be repaid in August 2026.

At 31 December 2022 the company had an outstanding loan payable to Superstruct Holding S.a.r.l. of £1,127k (31 December 2021 - £NIL). The loan bears interest at 8.7% and is due to be repaid in September 2027.

At 31 December 2022 the company had an outstanding loan payable to Superstruct Holding S.a.r.l. of £7,297k (31 December 2021 - £6,868k). The loan bears interest at 6.25% and is due to be repaid in December 2029.

At 31 December 2022 the company had an outstanding loan receivable from Superstruct Holding S.a.r.l. of £439k (31 December 2021 - £NIL). The loan bears interest at 7.25% plus LIBOR and is repayable on demand.

During the year, the company received income from majority-owned subsidiaries and companies under common control:

- £192k (2021 - £NIL) consultancy fee and recharge income from Victorious Festivals Ltd.
- £180k (2021 - £60k) consultancy fee and recharge income from Lost Ventures Ltd.
- £62k (2021 - £24k) consultancy fee income from Hideout Festival LLP.
- £12k (2021 - £NIL) from BM Management Ltd.
- £57k (2021 - £54k) from Fuzzy Operations Pty Ltd.

During the year, the company received dividends from majority owned subsidiaries and companies under common control:

- £1,275k (2021 - £1,120k) from Lost Ventures Limited.
- £416k (2021 - £NIL) from Fuzzy Operations Pty Ltd.

In the opinion of the directors, there were no other related party balances at the year end.

35. Post balance sheet events

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

- 70% of the share capital of Waxarch Holdings Limited, which owns 100% of the share capital in Waxarch Ltd;
- 70% of the share capital of SBH Events Holdings Limited, which owns 100% of the share capital in both SBH Events Ltd and SBH Events EU Limited;
- 70% of the share capital of Mr November Limited, which owns 30% of the share capital in Mighty Hoopla Ltd;
- 46.7% of the share capital in Mighty Hoopla Ltd;
- 70% of the shares of X The Tracks Ltd;
- 60.02% of the shares of Centris Events S.L.

Subsequent to the balance sheet date, a restructuring took place in which Superstruct Entertainment Limited acquired 100% of the share capital of Superstruct Entertainment International Holding Ltd. In consideration for this transaction, Superstruct Entertainment Limited issued a further two ordinary shares to Superstruct Holding S.à.r.l. Through this acquisition of Superstruct Entertainment International Holding Limited, Superstruct Entertainment Limited indirectly acquired:

- 100% of the share capital of Superstruct Entertainment Netherlands BV;
- 100% of the share capital of Superstruct Germany Holdings GmbH;
- 100% of the share capital of Superstruct Norge 2 AS;
- 100% of the share capital of Superstruct Norge AS;
- 80% of the share capital of Advanced Music, SL;
- 51% of the share capital of Elrow Global, SL;
- 57.5% of the share capital of Superstruct TMR Holding, SL;
- 80% of the share capital of Superstruct BTN Holdings, SL;
- 80% of the share capital of Tuska Festival Oy;
- 73.3% of the share capital of Flow Festival Oy.

36. Controlling party

The directors regard Superstruct Holding S.à r.l., a company incorporated and registered in Luxembourg, as the immediate parent company.

The directors regard Sinisa Krnic as the ultimate controlling party.