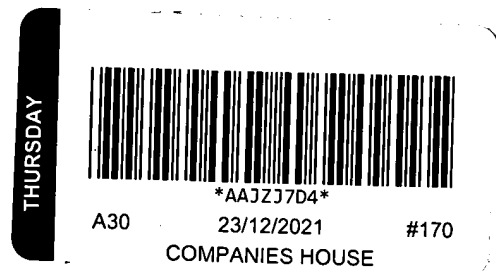


Registered number: 11808643

AARETE UK LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020



AARETE UK LIMITED

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AARETE UK LIMITED

COMPANY INFORMATION

| | |
|----------------------------|---|
| Directors | D Behm L Trimble |
| Registered number | 11808643 |
| Registered office | The Walbrook Building 25 Walbrook London EC4N 8AF |
| Independent auditor | Blick Rothenberg Audit LLP Chartered Accountants & Statutory Auditor 16 Great Queen Street Covent Garden London WC2B 5AH |

AARETE UK LIMITED
BALANCE SHEET
AS AT 31 DECEMBER 2020

| | Note | 2020 £ | 2019 £ |
|---|------|--------------------|------------------|
| Fixed assets | | | |
| Investments | 4 | 1,189,510 | - |
| Current assets | | | |
| Debtors: amounts falling due within one year | 5 | 99,217 | 49,331 |
| Cash at bank and in hand | | 9,313 | - |
| | | <u>108,530</u> | <u>49,331</u> |
| Creditors: amounts falling due within one year | 6 | (2,496,934) | (663,300) |
| Net current liabilities | | (2,388,404) | (613,969) |
| Creditors: amounts falling due after more than one year | 7 | (90,625) | - |
| Net liabilities | | (1,289,519) | (613,969) |
| Capital and reserves | | | |
| Called up share capital | 8 | 100 | 100 |
| Profit and loss account | | (1,289,619) | (614,069) |
| Total equity | | (1,289,519) | (613,969) |

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The company has opted not to file the profit and loss account in accordance with provisions applicable to companies subject to the small companies' regime.

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



D Behm
 Director

Date: 17 December 2021

The notes on pages 4 to 10 form part of these financial statements.

AARETE UK LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2020

| | Called up share capital £ | Profit and loss account £ | Total equity £ |
|---|---------------------------------|---------------------------------|--------------------|
| Comprehensive income for the period | | | |
| Loss for the period | - | (614,069) | (614,069) |
| Shares issued during the period | 100 | - | 100 |
| At 31 December 2019 and 1 January 2020 | <u>100</u> | <u>(614,069)</u> | <u>(613,969)</u> |
| Loss for the year | - | (675,550) | (675,550) |
| At 31 December 2020 | <u>100</u> | <u>(1,289,619)</u> | <u>(1,289,519)</u> |

AARETE UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1. General information

AArete UK Limited is a private company limited by shares incorporated in England and Wales. The address of its registered office is Second Floor, Berkeley Square House, Berkeley Square, London, W1J 6BD.

The financial statements are presented in Sterling (£).

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The group headed by the company qualifies as small under s399 of the Companies Act 2006 and is therefore exempt from the need to produce consolidated financial statements.

The following principal accounting policies have been applied:

2.2 Going concern

The financial statements have been prepared on a going concern basis notwithstanding the fact that the company has a deficiency on shareholders funds at the end of the year. The directors consider this basis to be appropriate as the company has received a letter of financial support from its parent company.

In making this assessment, the directors have considered the impact of the COVID-19 pandemic on the future operations of the company and its parent undertaking confirming its intention and ability to provide continued financial assistance to the company for the foreseeable future, being a period of at least twelve months from the date of approval of these financial statements.

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

AARETE UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.4 Financial instruments

The company has elected to apply Sections 11 and 12 of FRS 102 in respect of financial instruments.

Financial assets and financial liabilities are recognised when the company becomes party to the contractual provisions of the instrument.

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

The company's policies for its major classes of financial assets and financial liabilities are set out below.

Financial assets

Basic financial assets, including trade and other debtors and cash and bank balances are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest for a similar debt instrument. Financing transactions are those in which payment is deferred beyond normal business terms or is financed at a rate of interest that is not a market rate.

Such assets are subsequently carried at amortised cost using the effective interest method, less any impairment.

Financial liabilities

Basic financial liabilities, including trade and other creditors and amounts owed to group companies, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. Financing transactions are those in which payment is deferred beyond normal business terms or is financed at a rate of interest that is not a market rate.

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

AARETE UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

Financial instruments (continued)

Impairment of financial assets

Financial assets measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the profit and loss account.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between the asset's carrying amount and the best estimate of the amount the company would receive for the asset if it were to be sold at the reporting date.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If the financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

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

Derecognition of financial assets and financial liabilities

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Offsetting of financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

AARETE UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.5 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is Sterling (£).

Transactions and balances

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

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

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the profit and loss account within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

2.6 Operating leases: the company as lessee

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

2.7 Pensions

Defined contribution pension plan

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

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

2.8 Share capital

Ordinary shares are classified as equity.

AARETE UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.9 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the profit and loss account, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

Current tax is the amount of income tax payable in respect of taxable profit for the year or prior years.

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

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements.

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

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

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

2.10 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.11 Cash

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

3. Employees

The average monthly number of employees, including directors, during the year was 5 (2019 -4).

AARETE UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

4. Fixed asset investments

| | Investments in subsidiary companies £ |
|---------------------|---|
| Cost | |
| Additions | 1,189,510 |
| At 31 December 2020 | <u>1,189,510</u> |

The fixed asset investment reflects the 100% purchase of the share capital of Dynamic Data Innovations Limited which was acquired on 31 August 2020.

5. Debtors

| | 2020 £ | 2019 £ |
|------------------------------------|---------------|---------------|
| Trade debtors | 72,378 | - |
| Amounts owed by group undertakings | 5,330 | - |
| Other debtors | 21,509 | 34,714 |
| Prepayments and accrued income | - | 14,617 |
| | <u>99,217</u> | <u>49,331</u> |

6. Creditors: amounts falling due within one year

| | 2020 £ | 2019 £ |
|------------------------------------|------------------|----------------|
| Trade creditors | 20,810 | - |
| Amounts owed to group undertakings | 2,340,286 | 577,209 |
| Other taxation and social security | 32,653 | 67,396 |
| Deferred consideration | 90,625 | - |
| Accruals and deferred income | 12,560 | 18,695 |
| | <u>2,496,934</u> | <u>663,300</u> |

Amounts owed to group undertakings are interest free and repayable on demand.

The company has provided a fixed charge over its assets to the group bankers, BMO Harris Bank, N.A. Group borrowings at the year-end were \$36,800,000.

AARETE UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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

| | 2020 £ | 2019 £ |
|------------------------|---------------|-----------|
| Deferred consideration | 90,625 | - |
| | <u>90,625</u> | <u>-</u> |

8. Share capital

| | 2020 £ | 2019 £ |
|---|------------|------------|
| Allotted, called up and fully paid | | |
| 100 (2019 -100) Ordinary shares of £1.00 each | 100 | 100 |
| | <u>100</u> | <u>100</u> |

9. Parent undertaking

The smallest group for which consolidated financial statements are drawn up is headed by AArete Inc., whose registered office is 200 E Randolph Street, Ste 3010, Chicago, Illinois 60601, 1 312-585-0800.

10. Related party transactions

The company has taken advantage of the exemption contained in FRS 102 section 33 "Related Party Disclosures" from disclosing transactions with entities which are a wholly owned part of the group.

11. Auditor's information

The auditor's report on the financial statements for the year ended 31 December 2020 was unqualified.

The audit report was signed on 21 December 2021 by Mahmood Ramji (senior statutory auditor) on behalf of Blick Rothenberg Audit LLP.