

Company Registration No. 13068680 (England and Wales)

**CC STIM UK TRADECO 3 LTD**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 DECEMBER 2021**

# CC STIM UK TRADECO 3 LTD

## COMPANY INFORMATION

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|                  |                   |                             |
|------------------|-------------------|-----------------------------|
| <b>Directors</b> | A N Falbert       | (Appointed 7 December 2020) |
|                  | V E Hahn-Petersen | (Appointed 7 December 2020) |
|                  | P J Marks         | (Appointed 10 May 2021)     |

|                       |          |
|-----------------------|----------|
| <b>Company number</b> | 13068680 |
|-----------------------|----------|

|                          |   |
|--------------------------|---|
| <b>Registered office</b> | Linford Forum<br>18 Rockingham Drive<br>Linford Wood<br>Milton Keynes<br>Buckinghamshire<br>England<br>MK14 6LY |
|--------------------------|---|

|                |  |
|----------------|--|
| <b>Auditor</b> | Krogh & Partners Ltd<br>Chartered Accountants & Registered Auditors<br>Salisbury House, 5th Floor<br>London Wall<br>London<br>EC2M 5QQ |
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# CC STIM UK TRADECO 3 LTD

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# **CC STIM UK TRADECO 3 LTD**

## **STRATEGIC REPORT**

***FOR THE PERIOD ENDED 31 DECEMBER 2021***

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### **Strategic report for the 390 days ended 31 December 2021**

The Directors present their strategic report for the Company for the 390 days ended 31 December 2021.

#### **Review of the business**

CC STIM UK TRADECO 3 LTD ("the Company") is a part of a larger group of companies known as REKOM Group, a company resident in Denmark. It is also more locally part of a group of UK companies known publicly as "REKOM UK" ("the Group"). REKOM UK was formed on 6 December 2020 as a vehicle to acquire certain trade, employees and assets from the Administrator of The Deltic Group Limited ("Deltic") ("the transaction"). The transaction completed on 17 December 2020 and in total encompassed 42 of the premises owned or occupied by Deltic with 9 freehold or long leasehold premises acquired on the first day of the transaction and a licence to occupy provided by the administrator on a further 27 properties in the leasehold estate. The remaining sites were occupied by REKOM UK under a tenancy at will granted by certain lease-holding subsidiaries of Deltic that were not put into administration.

The Company acquired 10 of those sites pursuant to the SPA.

#### *Impact of COVID-19*

At the date of the transaction, the majority of the country was in various states of local lockdown which affected almost all of the sites the Group occupied. On 4 January 2021 the Prime Minister of the UK announced that the country would be entering into a second national lockdown and that once again all leisure premises would be required to close their doors to the public. Following this announcement, a series of grants were made available to businesses in the hospitality sector including Local Restrictions Support Grants, January Lockdown payments and the April Restart Grant. While wholly inadequate to cover the costs of a closed leisure business, the funding was welcome and provided £0.4m of support from the period of acquisition until the full reopening of hospitality in England on 19 July 2021.

From the reopening of hospitality until early December 2021 the Company delivered a strong performance ahead of the expectations of the Directors. In early December, and in response to the emergence of the Omicron variant, additional restrictions were introduced by the Government and guests became more cautious. In addition, nightclubs in Wales and Scotland were again instructed to close their doors on 26 December 2021 before New Year's Eve. However, the Company continued to trade across the New Year in England and while the performance was slightly subdued due to guests no-shows as a result of COVID isolation, the result was still pleasing and highly profitable.

## CC STIM UK TRADECO 3 LTD

### STRATEGIC REPORT (CONTINUED)

**FOR THE PERIOD ENDED 31 DECEMBER 2021**

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#### Strategic approach

The Company is managed together with the rest of the Group. The full strategic approach for the Group can be found in the financial statements for CC STIM UK TOPCO LTD, the largest UK group in which the results of the company are consolidated. In summary, the Company's business model is to create memorable moments for its guests by creating the best-in-class late-night clubbing experiences ensuring:

- Sites are well-managed, maintained and invested in
- Prices are appropriately positioned in the market place to deliver value while not being cheap
- Brands are cohesive across all REKOM companies
- PAs and headline DJs are used where appropriate to deliver exceptional experiences
- The front-line staff are supported by highly experienced central staff who have significant subject-matter expertise in finance, legal, marketing, people & culture, IT and procurement

This pricing strategy has continued into 2022 and the directors are pleased that it still supports superior profitability now that the surge in admissions following the removal of restrictions has abated and our admissions are back in line with the pre-COVID trend.

#### Acquisition of trade and assets from the Administrator of Deltic ("The Transaction")

On 17 December 2020 the Company acquired certain trade, employees and assets from the Administrators of The Deltic Group Limited. The full detail of the transaction can be found in the financial statements for CC STIM UK TOPCO LTD but the specific element of the transaction relating to the Company is described below.

##### *Assets acquired*

The identifiable assets acquired as a result of the transaction, including any fair value adjustments made, can be summarised as follows:

| Asset acquired                                | Purchase Price Apportionment | Fair Value Adjustment | Deferred Tax  | Total        |
|---|------------------------------|-----------------------|---------------|--------------|
| Leasehold improvements, fixtures and fittings | £156k                        | £432k                 | (£96k)        | £492k        |
| <b>TOTAL</b>                                  | <b>£156k</b>                 | <b>£432k</b>          | <b>(£96k)</b> | <b>£492k</b> |

##### *Financing of the transaction*

The transaction was financed by way of an intra-group loan from CC STIM UK HOLDCO LTD.

## CC STIM UK TRADECO 3 LTD

### STRATEGIC REPORT (CONTINUED)

**FOR THE PERIOD ENDED 31 DECEMBER 2021**

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#### Financial review and performance indicators

The directors consider that admissions, turnover and EBITDA are the key performance indicators of the business. The most recent year was very clearly a year of two halves with the first period of the year being substantively in full lockdown while the last 6 months of 2021 were substantively during a period of full-trading for the Company. This is shown below to aid the understanding of the interpretation of the financial information.

| Information shown<br>in 000s | CC STIM UK TRADECO 3 LTD |                              |                            |
|------------------------------|--------------------------|------------------------------|----------------------------|
|                              | Period to<br>30 Jun 2021 | 1 Jul 2021 to<br>31 Dec 2021 | 390 days to<br>31 Dec 2020 |
| Admissions                   | 11                       | 408                          | 419                        |
| Sales                        | £190                     | £7,660                       | £7,850                     |
| EBITDA                       | £(483)                   | £1,649                       | £1,166                     |

While comparative information for Deltic is shown in the Group accounts, it is not reflected in the accounts of the individual trading companies as Deltic did not have a comparable legal structure to REKOM UK and so there are no direct comparatives that we can draw from.

## **CC STIM UK TRADECO 3 LTD**

### **STRATEGIC REPORT (CONTINUED)**

**FOR THE PERIOD ENDED 31 DECEMBER 2021**

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#### **Risks and uncertainties**

##### *Competitive market*

The Company operates in a competitive market and so faces risks associated with the actions of competitors in each town or city in which it operates. Competition can vary in type whether that is superior quality or lower prices, and both can have an impact on guest demographic targeting certain sections of our guest base. We constantly monitor local competitor activity in order to respond to threats. Focussed plans will be drawn up by our operations management and business development teams and the relatively large scale of the Group enables us to engage in targeted promotional activity and the use of popular PAs and entertainment in order to minimise the effect of new competition.

##### *Licensing*

Licensing and relationships with local authorities can be challenging in some areas of the country and poor relationships can introduce a risk of business interruption. Our experienced local managers, Regional Managers, Regional Directors and Country Directors are empowered to build close working relationships with local authorities, and they are backed up by our central legal team and a team of external specialist licencing solicitors. We also carry out regular operational compliance and health and safety audits of all sites, with any adverse results being quickly followed up on.

##### *Crime and terrorism*

We are always conscious of the risk of crime (including terrorism) taking place inside one of our venues and hold the safety of our customers as a paramount importance. A serious incident occurring within a venue can pose the risk of major business interruption or even closure of the site. As such we work closely with local authorities and other venues in towns where we operate to ensure that sufficient searching and other safety procedures are in place at all of our venues with many of our site General Managers either a member of or indeed chairing their local Best Bar None or Pubwatch committees. As already mentioned, each site also regularly undergoes a health and safety audit.

##### *Cost inflation*

The current economic environment in the UK is seeing significant cost inflation with official forecasts for inflation suggesting a one-off price shock in excess of 7% over this year before inflation falls back to the 2% target by the end of the year. More specifically the international factors affecting gas and utility prices are generally outside of the control of the Company. To mitigate these risks the Company, as part of its inclusion in the wider REKOM Group, monitors cost inflation and undertakes quarterly reviews of price pressure with management developing plans to recover those costs through targeted price increases where possible. The Group hedges its electricity and gas wholesale consumption up to 3 years in advance and so is benefitting from wholesale prices secured on the commodities markets during the price crashes in 2020 and as such is not exposed to the current escalating costs. These hedging instruments are purchased for its own consumption and therefore the Company is not required to undertake any form of derivative accounting associated with these instruments.

## **CC STIM UK TRADECO 3 LTD**

### **STRATEGIC REPORT (CONTINUED)**

***FOR THE PERIOD ENDED 31 DECEMBER 2021***

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#### **Significant post period end developments**

The Directors are of the opinion that there are no significant post period end developments that should be brought to the attention of the reader of these financial statements.

#### **Future outlook**

Most of the capacity oversupply was removed from the nightclub sector in the years post 2005. We compete for our customers' finite "leisure pounds", so now we increasingly see other experiential leisure operators, streaming services and delivery services as our competition. Our customers undoubtedly demand the best experiences and at a good price, but the Directors are in no doubt that people still want to go out and have a great time. This means that solid returns are there for the best invested, smartest operators.

Business rates, energy levies, national minimum and living wage and changes in alcohol duties all continue to provide cost headwinds that the company works hard to mitigate. The Directors believe that the company is less affected than most in the sector, and that continued targeted re-investment in the estate will maintain this position.

The Directors will maintain their focus on strategic acquisitions, targeted investments and proactive management through the year and believe that this will allow the business to continue to grow from strength to strength

On behalf of the board

P J Marks  
**Director**

20 June 2022



# CC STIM UK TRADECO 3 LTD

## DIRECTORS' REPORT

### FOR THE PERIOD ENDED 31 DECEMBER 2021

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The directors present their annual report and financial statements for the Period ended 31 December 2021.

#### Principal activities

The principal activity of the company continued to be that of licensed nightclubs.

#### Results and dividends

The results for the Period are set out on page 12.

Ordinary dividends were paid amounting to £650,000. The directors do not recommend payment of a further dividend.

#### Directors

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

|                   |                             |
|-------------------|-----------------------------|
| A N Falbert       | (Appointed 7 December 2020) |
| V E Hahn-Petersen | (Appointed 7 December 2020) |
| P J Marks         | (Appointed 10 May 2021)     |

#### Disabled persons

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the company continues and that the appropriate training is arranged. It is the policy of the company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

#### Engagement with employees

The directors are extremely mindful of the importance of employee engagement. "Love for People" is a fundamental pillar of all REKOM group companies and every single employee is encouraged to "be fearless" and to "act as a founder". The company uses a weekly vlog by the UK Chairman, an intranet site called REKOMMUNITY, venue social media sites and regular team meetings to keep employees informed about developments that are relevant to them and to gather their thoughts and feedback. The company also takes regular "meaningfulness quotient" surveys of its' employees in order to understand their feelings and gain further feedback.

#### Auditor

Krogh & Partners Ltd were appointed as auditors and is deemed to be reappointed under section 487(2) of the Companies Act 2006.

#### Strategic report

The company has chosen to set out in the strategic report information required to be stated in the directors' report including a review of business and principle risks and uncertainties.

#### Statement of disclosure to auditor

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

#### Incorporation

The company was incorporated and commenced trading on 7 December 2020.

**CC STIM UK TRADECO 3 LTD**

**DIRECTORS' REPORT (CONTINUED)**

***FOR THE PERIOD ENDED 31 DECEMBER 2021***

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On behalf of the board

P J Marks  
**Director**

20 June 2022

## **CC STIM UK TRADECO 3 LTD**

### **DIRECTORS' RESPONSIBILITIES STATEMENT**

***FOR THE PERIOD ENDED 31 DECEMBER 2021***

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The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# **CC STIM UK TRADECO 3 LTD**

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF CC STIM UK TRADECO 3 LTD**

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#### **Opinion**

We have audited the financial statements of CC STIM UK TRADECO 3 Ltd (the 'company') for the year ended 31 December 2021 which comprise the Statement Of Comprehensive Income, Balance Sheet, Statement of Changes in Equity and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006

#### **Basis for opinion**

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

#### **Conclusions relating to going concern**

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

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

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

#### **Other information**

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

# **CC STIM UK TRADECO 3 LTD**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBERS OF CC STIM UK TRADECO 3 LTD**

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#### **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

#### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the Directors.

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

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

#### **Responsibilities of directors**

As explained more fully in the Statement of Directors' Responsibilities set out on page 8, 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 necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors 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.

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

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge of the business;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, taxation legislation, data protection, and anti-bribery;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

## **CC STIM UK TRADECO 3 LTD**

### **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

#### **TO THE MEMBERS OF CC STIM UK TRADECO 3 LTD**

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We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- enquiring of management as to actual and potential litigation and claims;
- reviewing correspondence with HMRC and relevant regulators

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Auditors.

#### **Use of our report**

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

**John Lindegaard (Senior Statutory Auditor)**  
**For and on behalf of Krogh & Partners Ltd**

20 June 2022

823 Salisbury House  
29 Finsbury Circus  
London  
EC2M 5QQ

## CC STIM UK TRADECO 3 LTD

### STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 DECEMBER 2021

|  |       | 7 December<br>ended<br>31 December<br>2021<br>£ |
|--|-------|---|
|  | Notes |   |
| Turnover                               | 3     | 7,849,774                                       |
| Cost of sales                          |       | (1,354,004)                                     |
| <b>Gross profit</b>                    |       | <b>6,495,770</b>                                |
| Administrative expenses                |       | (6,235,085)                                     |
| Other operating income                 |       | 1,025,642                                       |
| <b>Profit before taxation</b>          |       | <b>1,286,327</b>                                |
| Tax on profit                          | 7     | (102,544)                                       |
| <b>Profit for the financial Period</b> |       | <b>1,183,783</b>                                |

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

There was no other comprehensive income for the period 7 December 2020 -31 December 2021

# CC STIM UK TRADECO 3 LTD

## BALANCE SHEET

AS AT 31 DECEMBER 2021

|   | Notes | 2021<br>£          | £              |
|---|-------|--------------------|----------------|
| <b>Fixed assets</b>                                   |       |                    |                |
| Tangible assets                                       | 10    |                    | 615,629        |
| Investments   | 11    |                    | 2              |
|   |       |                    | <u>615,631</u> |
| <b>Current assets</b>                                 |       |                    |                |
| Stocks  | 13    | 261,104            |                |
| Debtors   | 14    | 1,105,230          |                |
| Cash at bank and in hand                              |       | 164,242            |                |
|   |       | <u>1,530,576</u>   |                |
| <b>Creditors: amounts falling due within one year</b> | 15    | <u>(1,514,987)</u> |                |
| <b>Net current assets</b>                             |       |                    | <u>15,589</u>  |
| <b>Total assets less current liabilities</b>          |       |                    | <u>631,220</u> |
| <b>Provisions for liabilities</b>                     |       |                    |                |
| Deferred tax liability                                | 16    | 97,337             |                |
|   |       | <u>(97,337)</u>    |                |
| <b>Net assets</b>                                     |       |                    | <u>533,883</u> |
| <b>Capital and reserves</b>                           |       |                    |                |
| Called up share capital                               | 18    |                    | 100            |
| Profit and loss reserves                              |       |                    | <u>533,783</u> |
| <b>Total equity</b>                                   |       |                    | <u>533,883</u> |

The financial statements were approved by the board of directors and authorised for issue on 20 June 2022 and are signed on its behalf by:

P J Marks  
Director

Company Registration No. 13068680



# CC STIM UK TRADECO 3 LTD

## STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 31 DECEMBER 2021

|  |       | Share capital | Profit and<br>loss reserves | Total     |
|--|-------|---------------|-----------------------------|-----------|
|  | Notes | £             | £                           | £         |
| <b>Period ended 31 December 2021:</b>                |       |               |                             |           |
| Profit and total comprehensive income for the period |       | -             | 1,183,783                   | 1,183,783 |
| Issue of share capital                               | 18    | 100           | -                           | 100       |
| Dividends  | 8     | -             | (650,000)                   | (650,000) |
| <b>Balance at 31 December 2021</b>                   |       | 100           | 533,783                     | 533,883   |

# CC STIM UK TRADECO 3 LTD

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE PERIOD ENDED 31 DECEMBER 2021**

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### 1 Accounting policies

#### Company information

CC STIM UK TRADECO 3 LTD is a private company limited by shares incorporated in England and Wales. The registered office is Linford Forum, 18 Rockingham Drive, Linford Wood, Milton Keynes, Buckinghamshire, England, MK14 6LY.

#### 1.1 Accounting convention

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

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

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

These financial statements for the Period ended 31 December 2021 are the first financial statements of CC STIM UK TRADECO 3 LTD prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland.

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

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues: The disclosure requirements of paragraphs 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b), 11.48(c), 12.26, 12.27, 12.29(a), 12.29(b), and 12.29A;
- Section 26 'Share based Payment': Share based payment arrangements required under FRS 102 paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements CC STIM UK TOPCO LTD. These consolidated financial statements are available from its registered office at Linford Forum 18 Rockingham Drive, Linford Wood, Milton Keynes, England, MK14 6LY.

## CC STIM UK TRADECO 3 LTD

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2021

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#### 1 Accounting policies

(Continued)

##### 1.2 Business combinations and negative goodwill

The cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. If the fair value of the assets, liabilities and contingent liabilities acquired exceed the consideration paid negative goodwill will be recognised

The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date.

Intangible assets are only recognised separately from goodwill where they are separable and arise from contractual or other legal rights. On acquisition, goodwill is allocated to cash-generating units ('CGU's') that are expected to benefit from the combination.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination accounted for using the purchase method and the amounts that can be deducted or assessed for tax, considering the manner in which the carrying amount of the asset or liability is expected to be recovered or settled. The deferred tax recognised is adjusted against goodwill or negative goodwill.

On 17 December 2020, the company acquired the trading assets from the Administrators of The Deltic Group Limited for total consideration of £156,540.

The transaction qualified as a business combination under FRS102 and has been accounted for by applying the purchase method. Negative goodwill of £335,788 arising from the acquisition is attributable to the fair value of fixture and fittings acquired exceeding the consideration paid.

Negative goodwill is amortised over its expected useful life which is estimated to be less than one year. The amortisation occurred between the date of acquisition and 19th July 2021 ("Freedom Day"), which is when nightclubs in the UK were allowed to fully reopen and when the business became profitable and cash generative. The assets were acquired during a distressed economic state during the Covid pandemic with Deltic in administration. The group is trading profitably therefore in line with FRS 102 s19.24c the amount has been fully released in the period the assets are recovered or where the benefit is felt.

# CC STIM UK TRADECO 3 LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2021

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### 1 Accounting policies

(Continued)

#### 1.3 Going concern

The financial statements are prepared on a going concern basis. The use of the going concern basis of accounting is appropriate because there are no material uncertainties related to events or conditions that may cast significant doubt about the ability of the company to continue as a going concern on the basis that group undertakings and other companies within the group will continue to support the company.

The Directors have carefully considered the impact of Covid-19 on the company's financial position, liquidity and future performance. As set out in the strategic report, the company has continued to trade strongly when legally permitted throughout the Covid-19 pandemic and the Directors believe that it is experiencing good levels of sales and profitability.

The Directors believe that the company has a strong management team, that already has nearly two years-worth of experience at steering the business through the pandemic. Furthermore, through 2021 the company and the wider group has built a significant reserve of cash.

The existence of COVID-19 and the impact it has upon hospitality businesses is a major risk for the company and The Directors recognise that it does bring a degree of uncertainty over the future of the company. However, having considered this year's trading performance, management experience and the current level of financial reserves plus the generally positive trend in medicine and science; the Directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern. For example, the extent of the impact of coronavirus is unclear and it is difficult to evaluate all the potential implications on the company's trade, customers, suppliers and the wider economy.

#### 1.4 Reporting period

The financial statements have been prepared on the basis of an extended reporting period from 7 December 2020 to 31 December 2021

#### 1.5 Turnover

Turnover is recognised as revenue net of value added tax recognised on sales.

Sale of goods and admission income are recognised when the significant risks and rewards of ownership of the goods or provision of services have passed to the buyer.

Admissions income is derived from admissions and other income includes room hire; machine income and other direct income to third parties.

#### 1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Leases in which the company assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. Where land and buildings are held under leases the accounting treatment of the land is considered separately from that of the buildings. Leases assets acquired by way of finance lease are stated at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and less less accumulated impairment losses.

# CC STIM UK TRADECO 3 LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2021

### 1 Accounting policies

(Continued)

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

|                              |                                |
|------------------------------|--------------------------------|
| Leasehold land and buildings | 3-15 years straight line basis |
| Fixtures and fittings        | 3-10 years straight line basis |

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

#### 1.7 Fixed asset investments

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

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

#### 1.8 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

#### 1.9 Stocks

Stocks have been valued at the lower of cost and the estimated selling price less costs to sell. In respect of work in progress, costs include a relevant proportion of overheads dependant on the stage of completion.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

#### 1.10 Cash and cash equivalents

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

#### 1.11 Equity and reserves

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deductions, net of tax, from the proceeds.

#### 1.12 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

# CC STIM UK TRADECO 3 LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2021

### 1 Accounting policies

(Continued)

#### **Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

#### **Deferred tax**

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

#### **1.13 Employee benefits**

Short term employee benefits, including holiday entitlement and other non-monetary benefits, and contributions to defined contribution plans are recognised as an expense in the period in which they are incurred.

The company recognises an accrual for accumulated annual leave accrued by employees as a result of services rendered in the current period for which employees can carry forward and use within the next year. The accrual is measured at the salary cost of the respective employee in relation to the period of absence.

#### **1.14 Retirement benefits**

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

#### **1.15 Leases**

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and are depreciated over the shorter of the lease term and the asset's useful lives.

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term. Lease incentives are recognised over the lease term on a straight line basis.

#### **1.16 Government grants**

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

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

## CC STIM UK TRADECO 3 LTD

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

*FOR THE PERIOD ENDED 31 DECEMBER 2021*

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#### **1 Accounting policies**

**(Continued)**

##### **1.17 Foreign exchange**

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

##### **1.18 Interest receivable and interest payable**

Interest payable and similar expenses include interest payable, and finance leases recognised in consolidated statement of comprehensive income using the effective interest method and the unwinding of the discount on provisions. Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method.

##### **1.19 Trade and other debtors**

Trade and other debtors are measured at transaction price less any impairment unless the arrangement constitutes a financing transaction in which case the transaction is measured at the present value of the future receipts discounted at the prevailing market rate of interest. Loans are initially measured at fair value and are subsequently measured at amortised cost using the effective interest method less any impairment

##### **1.20 Trade and other creditors**

Trade and other creditors are measured at their transaction price unless the arrangement constitutes a financing transaction in which case the transaction is measured at present value of future payments discounted at prevailing market rate of interest. Other financial liabilities are initially measured at fair value net of their transaction costs. They are subsequently measured at amortised cost using the effective interest method.

## CC STIM UK TRADECO 3 LTD

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2021

#### 2 Judgements and key sources of estimation uncertainty

The preparation of financial statements requires management to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on a continuing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

##### Valuation of acquired assets

As described in note 1.2 of the financial statements, the purchase price for fixtures and fittings acquired from The Deltic Group was deemed by the Directors to be below fair market value. As such, they were fair valued upwards in line with an in-situ valuation report carried out by a reputable and professional international investment and valuations specialist. There is a certain degree of judgement and uncertainty involved in any asset valuation process although the Directors believe that the value settled upon is fairly stated.

##### Release of negative goodwill to income statement

As described in note 1.2 of the financial statements a gain of £335,788 was recognised following the revaluation to fair market value of the nightclub assets acquired from The Deltic Group Limited (in administration). This was initially recognised on the balance sheet as negative goodwill. The balance has subsequently been fully recognised into the Income Statement during the current financial period as the period between the acquisition of the assets and "Freedom Day" on July 19th 2021 is, in the opinion of the directors, the period over which the company benefitted from having acquired these assets for such a low price.

With the exception of the estimate described above, the directors consider that there are no other significant judgements or estimates in the preparation of these financial statements.

#### 3 Turnover and other revenue

|   | 2021<br>£        |
|---|------------------|
| <b>Turnover analysed by class of business</b> |                  |
| Sale of goods                                 | 6,126,715        |
| Admissions income                             | 1,568,643        |
| Other income                                  | 154,416          |
|   | <u>7,849,774</u> |
|   |                  |
|   | 2021<br>£        |
| <b>Other significant revenue</b>              |                  |
| Government grants received                    | <u>1,025,642</u> |



# CC STIM UK TRADECO 3 LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2021

|          |                                   |                    |
|----------|-----------------------------------|--------------------|
| <b>3</b> | <b>Turnover and other revenue</b> | <b>(Continued)</b> |
|          |                                   | <b>2021</b>        |
|          |                                   | <b>£</b>           |

### Turnover analysed by geographical market

|                |           |
|----------------|-----------|
| United Kingdom | 7,849,774 |
|----------------|-----------|

|          |                         |             |
|----------|-------------------------|-------------|
| <b>4</b> | <b>Operating profit</b> | <b>2021</b> |
|          |                         | <b>£</b>    |

Operating profit for the period is stated after charging/(crediting):

|   |             |
|---|-------------|
| Government grants                           | (1,025,642) |
| Depreciation of owned tangible fixed assets | 71,452      |
| Impairment of owned tangible fixed assets   | 74,377      |
| Loss on disposal of tangible fixed assets   | 67,656      |
| Amortisation of intangible assets           | (335,788)   |
| Operating lease charges                     | 794,186     |

## 5 Employees

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

|                  |               |
|------------------|---------------|
|                  | <b>2021</b>   |
|                  | <b>Number</b> |
| Venue Management | 19            |
| Frontline Staff  | 254           |
| Total            | 273           |

Their aggregate remuneration comprised:

|                       |             |
|-----------------------|-------------|
|                       | <b>2021</b> |
|                       | <b>£</b>    |
| Wages and salaries    | 3,305,682   |
| Social security costs | 94,366      |
| Pension costs         | 20,283      |
|                       | 3,420,331   |

## 6 Directors' remuneration

No remuneration was paid to the directors.

## CC STIM UK TRADECO 3 LTD

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2021

#### 7 Taxation

|  | 2021<br>£         |
|--|-------------------|
| <b>Current tax</b>                                   |                   |
| UK corporation tax on profits for the current period | 101,579           |
|  | <u>          </u> |
| <b>Deferred tax</b>                                  |                   |
| Origination and reversal of timing differences       | 965               |
|  | <u>          </u> |
| Total tax charge                                     | 102,544           |
|  | <u>          </u> |

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

|   | 2021<br>£         |
|---|-------------------|
| Profit before taxation  | 1,286,327         |
|   | <u>          </u> |
| Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% | 244,402           |
| Tax effect of expenses that are not deductible in determining taxable profit          | 17,681            |
| Tax effect of income not taxable in determining taxable profit                        | (51,856)          |
| Group relief  | (108,648)         |
| Deferred tax movement   | 965               |
|   | <u>          </u> |
| Taxation charge for the period  | 102,544           |
|   | <u>          </u> |

#### 8 Dividends

|            | 2021<br>£         |
|------------|-------------------|
| Final paid | 650,000           |
|            | <u>          </u> |

Dividends totalling £650,000 were paid in the year to the parent company, CC STIM UK HOLDCO LTD, a company controlled by CataCap II K/S.

# CC STIM UK TRADECO 3 LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2021

### 9 Intangible fixed assets

|                                     | Negative goodwill<br>£ |
|-------------------------------------|------------------------|
| <b>Cost</b>                         |                        |
| At 7 December 2020                  | -                      |
| Additions                           | (335,788)              |
| At 31 December 2021                 | (335,788)              |
| <b>Amortisation and impairment</b>  |                        |
| At 7 December 2020                  | -                      |
| Amortisation charged for the Period | (335,788)              |
| At 31 December 2021                 | (335,788)              |
| <b>Carrying amount</b>              |                        |
| At 31 December 2021                 | -                      |

The negative goodwill related to the purchase of trading assets from the administrators of The Deltic Group. Negative goodwill was fully amortised between the period of acquisition and 19 July 2021, when nightclubs in the UK were allowed to fully open and when the business became profitable and cash generative.

### 10 Tangible fixed assets

|                                    | Leasehold land and buildings<br>£ | Fixtures and fittings<br>£ | Total<br>£ |
|------------------------------------|-----------------------------------|----------------------------|------------|
| <b>Cost</b>                        |                                   |                            |            |
| At 7 December 2020                 | -                                 | -                          | -          |
| Additions                          | 196,230                           | 632,884                    | 829,114    |
| Disposals                          | (1,300)                           | (68,400)                   | (69,700)   |
| At 31 December 2021                | 194,930                           | 564,484                    | 759,414    |
| <b>Depreciation and impairment</b> |                                   |                            |            |
| At 7 December 2020                 | -                                 | -                          | -          |
| Depreciation charged in the Period | 9,307                             | 62,145                     | 71,452     |
| Impairment losses                  | 2,996                             | 71,381                     | 74,377     |
| Eliminated in respect of disposals | (32)                              | (2,012)                    | (2,044)    |
| At 31 December 2021                | 12,271                            | 131,514                    | 143,785    |
| <b>Carrying amount</b>             |                                   |                            |            |
| At 31 December 2021                | 182,659                           | 432,970                    | 615,629    |

# CC STIM UK TRADECO 3 LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2021

### 10 Tangible fixed assets

(Continued)

The company views each trading site as a cash generating unit (CGU) for the purposes of carrying out impairment reviews.

Management has conducted an impairment review in the period in respect of groups of assets in venues where it believe there may have been indicators that the carrying value of assets in that venue exceeded the discounted cashflows they are expected to generate through use. Such indicators include declines in trading, significant competitor or any significant cost increases.

Assets within CGU's where their carrying value exceeded their value in use have been written down to the lower of the value in use or their sale value less costs to sale, expensed to the profit and loss account.

### 11 Fixed asset investments

|                             | Notes | 2021<br>£ |
|-----------------------------|-------|-----------|
| Investments in subsidiaries | 12    | 2         |

#### Movements in fixed asset investments

|                          | Shares in<br>subsidiaries<br>£ |
|--------------------------|--------------------------------|
| <b>Cost or valuation</b> |                                |
| At 7 December 2020       | -                              |
| Additions                | 2                              |
| At 31 December 2021      | 2                              |
| <b>Carrying amount</b>   |                                |
| At 31 December 2021      | 2                              |

On 03 April 2021, CC STIM UK TRADECO 3 LTD acquired 100% shareholding of REKOM Ipswich Ltd and REKOM Colchester Ltd.

### 12 Subsidiaries

Separate company financial statements for REKOM Ipswich Ltd and REKOM Colchester Ltd are available from Linford Forum 18 Rockingham Drive, Linford Wood, Milton Keynes, England, MK14 6LY.

Consolidated financial statements for the CC STIM UK TOPCO LTD Group are available from its registered office at Linford Forum 18 Rockingham Drive, Linford Wood, Milton Keynes, England, MK14 6LY.

Details of the company's subsidiaries at 31 December 2021 are as follows:

| Name of undertaking  | Registered office  | Class of<br>shares held | % Held<br>Direct |
|----------------------|--|-------------------------|------------------|
| REKOM COLCHESTER LTD | Linford Forum 18 Rockingham Drive, Linford Wood,<br>Milton Keynes, England, MK14 6LY | Ordinary                | 100.00           |
| REKOM IPSWICH LTD    | Linford Forum 18 Rockingham Drive, Linford Wood,<br>Milton Keynes, England, MK14 6LY | Ordinary                | 100.00           |

# CC STIM UK TRADECO 3 LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2021

### 13 Stocks

|           | 2021<br>£ |
|-----------|-----------|
| Wet stock | 261,104   |

### 14 Debtors

|   | 2021<br>£ |
|---|-----------|
| <b>Amounts falling due within one year:</b> |           |
| Trade debtors                               | 10,317    |
| Other debtors                               | 558       |
| Amounts owed by connected company           | 945,896   |
| Prepayments and accrued income              | 148,459   |
|   | 1,105,230 |

### 15 Creditors: amounts falling due within one year

|                                    | 2021<br>£ |
|------------------------------------|-----------|
| Trade creditors                    | 103,454   |
| Corporation tax                    | 101,579   |
| Other taxation and social security | 683,226   |
| Other creditors                    | 10,585    |
| Accruals and deferred income       | 616,143   |
|                                    | 1,514,987 |

A loan with a balance of £10.0m as at the end of the year in CC Stim UK Topco Ltd and payable to 17 dec P/s (a Danish entity) is secured by a fixed and floating charge over all assets of the REKOM UK Group

### 16 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

|                                | <b>Liabilities</b><br><b>2021</b><br><b>£</b> |
|--------------------------------|---|
| <b>Balances:</b>               |   |
| Accelerated capital allowances | 20,239  |
| Unrealised gain                | 77,098  |
|                                | 97,337  |

# CC STIM UK TRADECO 3 LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2021

### 16 Deferred taxation (Continued)

|                                     |             |
|-------------------------------------|-------------|
|                                     | <b>2021</b> |
|                                     | <b>£</b>    |
| <b>Movements in the Period:</b>     |             |
| Liability at 7 December 2020        | -           |
| Charge to profit or loss            | 965         |
| Recognised on acquisition of assets | 96,372      |
|                                     | <hr/>       |
| Liability at 31 December 2021       | 97,337      |
|                                     | <hr/>       |

The deferred tax liability set out above is expected to reverse within 12 months and relates to accelerated capital allowances that are expected to mature within the same period.

### 17 Retirement benefit schemes

|   |             |
|---|-------------|
|   | <b>2021</b> |
|   | <b>£</b>    |
| <b>Defined contribution schemes</b>                                 |             |
| Charge to profit or loss in respect of defined contribution schemes | 20,283      |
|   | <hr/>       |

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £20,283.

### 18 Share capital

|                               |               |             |
|-------------------------------|---------------|-------------|
|                               | <b>2021</b>   | <b>2021</b> |
|                               | <b>Number</b> | <b>£</b>    |
| <b>Ordinary share capital</b> |               |             |
| <b>Issued and fully paid</b>  |               |             |
| Ordinary shares of £1 each    | 100           | 100         |
|                               | <hr/>         | <hr/>       |

All shares are entitled voting rights, dividends and capital distribution.

### 19 Operating lease commitments

#### Lessee

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

|                            |             |
|----------------------------|-------------|
|                            | <b>2021</b> |
|                            | <b>£</b>    |
| Within one year            | 562,173     |
| Between two and five years | 1,986,079   |
| In over five years         | 1,379,747   |
|                            | <hr/>       |
|                            | 3,927,999   |
|                            | <hr/>       |

## **CC STIM UK TRADECO 3 LTD**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE PERIOD ENDED 31 DECEMBER 2021**

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#### **19 Operating lease commitments**

**(Continued)**

CC STIM TOPCO Limited, the parent of immediate parent, CC STIM HOLDCO Limited is providing financial guarantee for annual rents totalling £331,500.

#### **20 Related party transactions**

During the year dividends totalling £650,000 were paid in the year to the parent company, CC STIM HOLDCO LTD, a company controlled by CataCap II K/S.

The company has taken advantage of the exemption not to disclose related party transactions with wholly owned subsidiaries within the group.

#### **21 Ultimate controlling party**

The directors regard CataCap II K/S, a company incorporated in Denmark as the ultimate controlling company. CC STIM UK HOLDCO LTD, a company incorporated in England and Wales is the immediate parent company.

The registered office of the immediate parent company is Linford Forum 18 Rockingham Drive, Linford Wood, Milton Keynes, England, MK14 6LY. The registered office of the ultimate parent company is Oster Alle 42, 7, C/O CataCap Management, Kobenhavn G7 DK-2100, Denmark.

The largest group in which the results of the company and its group are consolidated is that headed by Rekom Group Holding ApS. Copies of the group financial statements may be obtained from CVR, the Danish state's master register of business information.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.