

Company Registration No. 13539720 (England and Wales)

**HIGHRISE BIDCO LTD**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED**  
**30 JUNE 2022**



# HIGHRISE BIDCO LTD

## COMPANY INFORMATION

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<b>Directors</b>	Mr P A Cocker Mr W J Pearson Mr B Ionescu Mr A J Read
<b>Company number</b>	13539720
<b>Registered office</b>	Queens House 32/34 Queen Street Manchester M2 5HT England
<b>Auditor</b>	RSM UK Audit LLP Chartered Accountants 3 Hardman Street Manchester M3 3HF

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# HIGHRISE BIDCO LTD

## STRATEGIC REPORT

### FOR THE PERIOD ENDED 30 JUNE 2022

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The directors present the strategic report for the period ended 30 June 2022.

#### Principal activity

The principal activity of the company is that of a management company. The company was incorporated on 30 July 2021, therefore, the period presented covers the 336 day period from incorporation to 30 June 2022.

At the date of this report, the Directors are not aware of any likely changes in the principal activities of the Company in the following year.

#### Review of financial position

The results for the year and the financial position as at the year end were considered satisfactory by the Directors.

During the period the company purchased the entire share capital of Sneak Energy Limited. The details of the transaction can be found in note 10.

The net liabilities of the Company as at 30th June 2022 were £26,829,151.

The Directors agreed to an impairment of the Company's investment in Sneak Energy to align the Company's capital structure with the post-balance sheet debt to equity conversion. Details can be found in note 6.

#### Key Performance Indicators

Given the nature of the Company's activities, the Directors believe that key performance indicators are not necessary or appropriate in understanding the Company's specific performance.

On behalf of the board

*Bogdan Ionescu*

.....  
Mr B Ionescu

Director

23/03/23  
Date: .....

# HIGHRISE BIDCO LTD

## DIRECTORS' REPORT

### FOR THE PERIOD ENDED 30 JUNE 2022

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The directors present their annual report and financial statements for the period ended 30 June 2022.

#### Principal activities

The principal activity of the company is that of a management company. The company was incorporated on 30 July 2021, therefore, the period presented covers the 336 day period from incorporation to 30 June 2022.

#### Results and dividends

The results for the period are set out on page 7.

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

#### Directors

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

Mr P A Cocker	(Appointed 30 July 2021)
Mr W J Pearson	(Appointed 30 July 2021)
Mr W Peirce	(Appointed 11 August 2021 and resigned 9 September 2022)
Mr J W Teeling	(Appointed 11 August 2021 and resigned 9 September 2022)
Mr B Ionescu	(Appointed 15 September 2022)
Mr A J Read	(Appointed 15 September 2022)

#### Auditor

RSM UK Audit LLP were appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006 and are deemed to be reappointed under section 487(2) of the Companies Act 2006.

#### 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, each director has taken all the necessary steps that they ought to have taken as a director in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

#### Going concern

The directors of the company have prepared the financial statements on a going concern basis. The company is non-trading, with no foreseeable working capital requirements. The company has net liabilities of £26,829,151, primarily as the result of amounts owed by and to group undertakings, and continued to be reliant upon its fellow group companies for ongoing financial support.

True Capital III Lp, a majority shareholder, has provided written confirmation of its intentions to continue to provide financial support to the group, as necessary, for a period of at least 12 months from the date of signing these financial statements, to ensure the group has adequate resources to maintain its operational existence and to meet its financial demands for the foreseeable future. True Capital III Lp has considered the forecast cashflows and liquidity, and has the potential to provide financial support as required. After considering the above, the directors are satisfied that it remains appropriate to prepare the company financial statements on a going concern basis.

On behalf of the board

*Bogdan Ionescu*

.....  
Mr B Ionescu

Director

23/03/23  
Date: .....

# **HIGHRISE BIDCO LTD**

## **DIRECTORS' RESPONSIBILITIES STATEMENT**

### **FOR THE PERIOD ENDED 30 JUNE 2022**

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The directors are responsible for preparing the Strategic Report and the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with 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.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HIGHRISE BIDCO LTD**

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### **Opinion**

We have audited the financial statements of Highrise Bidco Ltd (the 'company') for the period ended 30 June 2022 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2022 and of its loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

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

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

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

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

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

### **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

### **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 directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HIGHRISE BIDCO LTD (CONTINUED)**

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

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

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

### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

### **The extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory frameworks that the company operates in and how the company is complying with the legal and regulatory frameworks;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HIGHRISE BIDCO LTD (CONTINUED)

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As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102 and the Companies Act 2006. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures.

The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://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 member 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 member 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 member for our audit work, for this report, or for the opinions we have formed.

*RSM UK Audit LLP*

Alison Ashley (Senior Statutory Auditor)

For and on behalf of RSM UK Audit LLP, Statutory Auditor

Chartered Accountants

3 Hardman Street

Manchester

M3 3HF

23/03/23

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# HIGHRISE BIDCO LTD

## STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 JUNE 2022

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		336 day period ended 30 June 2022 £
Administrative expenses	Notes	(418,643)
Other operating income		456,957
<b>Operating profit</b>		<b>38,314</b>
Interest payable and similar expenses	5	(6,460,414)
Other gains and losses	6	(21,285,586)
<b>Loss before taxation</b>		<b>(27,707,686)</b>
Tax on loss	7	-
<b>Loss for the financial period</b>		<b>(27,707,686)</b>

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**HIGHRISE BIDCO LTD****STATEMENT OF FINANCIAL POSITION****AS AT 30 JUNE 2022**

	Notes	2022 £	£
<b>Fixed assets</b>			
Investments	8		37,950,024
<b>Current assets</b>			
Debtors	11	820,115	
Cash at bank and in hand		20,000	
		840,115	
<b>Creditors: amounts falling due within one year</b>	12	(7,262,213)	
<b>Net current liabilities</b>			(6,422,098)
<b>Total assets less current liabilities</b>			31,527,926
<b>Creditors: amounts falling due after more than one year</b>	13		(58,357,077)
<b>Net liabilities</b>			(26,829,151)
<b>Capital and reserves</b>			
Called up share capital	16		100,001
Share premium account	17		778,534
Profit and loss reserves	17		(27,707,686)
<b>Total equity</b>			(26,829,151)

23/03/23

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

*Bogdan Ionescu*

.....

Mr B Ionescu

Director

# HIGHRISE BIDCO LTD

## STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2022

	Notes	Share capital £	Share premium account £	Profit and loss reserves £	Total £
<b>Period ended 30 June 2022:</b>					
Loss and total comprehensive income for the period		-	-	(27,707,686)	(27,707,686)
Issue of share capital	16	100,001	778,534	-	878,535
<b>Balance at 30 June 2022</b>		<u>100,001</u>	<u>778,534</u>	<u>(27,707,686)</u>	<u>(26,829,151)</u>

# HIGHRISE BIDCO LTD

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2022

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### 1 Accounting policies

#### Company information

Highrise Bidco Ltd is a private company limited by shares and is registered and incorporated in England and Wales. The registered office is Queens House, 32/34 Queen Street, Manchester, England, M2 5HT.

The company's principal activities and nature of its operations are disclosed in the Directors' Report.

#### 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, including the provisions of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008.

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.

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 4 'Statement of Financial Position': Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Highrise Topco Ltd. These consolidated financial statements are available from its registered office, Queens House, 32/34 Queen Street, Manchester, M2 5HT.

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

Highrise Bidco Ltd is a wholly owned subsidiary of Highrise Topco Limited and the results of Highrise Bidco Ltd are included in the consolidated financial statements of Highrise Topco Limited which are available from Queens House, 32/34 Queen Street, Manchester, England, M2 5HT.

#### Going concern

The directors of the company have prepared the financial statements on a going concern basis. The company is non-trading, with no foreseeable working capital requirements. The company has net liabilities of £26,829,151, primarily as the result of amounts owed by and to group undertakings, and continued to be reliant upon its fellow group companies for ongoing financial support.

True Capital III Lp, a majority shareholder, has provided written confirmation of its intentions to continue to provide financial support to the group, as necessary, for a period of at least 12 months from the date of signing these financial statements, to ensure the group has adequate resources to maintain its operational existence and to meet its financial demands for the foreseeable future. True Capital III Lp has considered the forecast cashflows and liquidity, and has the potential to provide financial support as required. After considering the above, the directors are satisfied that it remains appropriate to prepare the company financial statements on a going concern basis.

# HIGHRISE BIDCO LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 JUNE 2022

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### 1 Accounting policies (Continued)

#### **Reporting period**

These financial statements cover the 336 day period from the company's date of incorporation on 30 July 2021 to 30 June 2022. There are no comparatives presented in these financial statements as these are first prepared since the company's incorporation.

#### **Fixed asset investments**

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

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

#### **Cash and cash equivalents**

Cash and cash equivalents are basic financial instruments 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.

#### **Financial instruments**

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

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument.

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

#### **Basic financial assets**

Basic financial assets, which include other debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method.

#### **Derecognition of financial assets**

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

#### **Classification of financial liabilities**

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

#### **Basic financial liabilities**

Basic financial liabilities, including amounts owed to group companies are initially recognised at transaction price.

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

# HIGHRISE BIDCO LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 JUNE 2022

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### 1 Accounting policies (Continued)

#### ***Derecognition of financial liabilities***

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

#### **Equity instruments**

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

#### **Taxation**

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

#### **Employee benefits**

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

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

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

#### **Retirement benefits**

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

# HIGHRISE BIDCO LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 JUNE 2022

### 2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated 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 an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

#### Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

#### Impairment

Where there are indicators of impairment of investments, the company performs an impairment assessment based on a discounted cash flow model. The cash flows are derived from the management's plan of the underlying businesses. This assessment has resulted in an impairment of the company's investment during the period of £21,285,586.

### 3 Employees

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

	2022 Number
Management	3

Their aggregate remuneration comprised:

	2022 £
Wages and salaries	336,447
Social security costs	43,249
Pension costs	24,697
	404,393

### 4 Directors' remuneration

	2022 £
Remuneration for qualifying services	266,129
Company pension contributions to defined contribution schemes	24,000
	290,129

# HIGHRISE BIDCO LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 JUNE 2022

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### 4 Directors' remuneration (Continued)

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2.

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

	2022 £
Remuneration for qualifying services	133,065
Company pension contributions to defined contribution schemes	12,000
	<u>145,065</u>

### 5 Interest payable and similar expenses

	2022 £
Interest payable to group undertakings	6,460,414
	<u>6,460,414</u>

### 6 Other gains and losses

	2022 £
Impairment of fixed asset investments	(21,285,586)
	<u>(21,285,586)</u>

As part of the impairment review of the company's fixed asset investments, the investment of £59,235,610 has been impaired by £21,285,586 due to unforeseen changes in the business post investment.



# HIGHRISE BIDCO LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 JUNE 2022

### 7 Taxation

The total tax charge for the period included in the income statement can be reconciled to the loss before tax multiplied by the standard rate of tax as follows:

	2022 £
Loss before taxation	(27,707,686)
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00%	(5,264,460)
Tax effect of expenses that are not deductible in determining taxable profit	5,283,140
Group relief	(18,680)
Taxation charge for the period	-

#### Factors affecting future tax charges

In the budget on 3 March 2021, the UK Government announced an increase in the main UK corporation tax rate from 19% to 25% with effect from 1 April 2023. The change in rate was substantively enacted on 24 May 2021.

### 8 Fixed asset investments

	Notes	2022 £
Investments in subsidiaries	9	37,950,024

#### Movements in fixed asset investments

	Shares in group undertakings £
<b>Cost or valuation</b>	
At 30 July 2021	-
Additions (note 10)	59,235,610
At 30 June 2022	59,235,610
<b>Impairment</b>	
At 30 July 2021	-
Impairment losses (note 6)	21,285,586
At 30 June 2022	21,285,586
<b>Carrying amount</b>	
At 30 June 2022	37,950,024

# HIGHRISE BIDCO LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 JUNE 2022

### 9 Subsidiaries

Details of the company's subsidiaries at 30 June 2022 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Sneak Energy Limited	Queens House, 32/34 Queen Street, Manchester, England, M2 5HT	Online retailer	Ordinary	100.00	-
Sneak Energy US Inc	120 I N. Market Street, Suite 2300, Wilmington, New Castle County, Delaware, USA, 19801	Online retailer	Ordinary	-	100.00

### 10 Acquisitions

On 11 August 2021 Highrise Bidco Ltd acquired the entire share capital of Sneak Energy Limited, a company incorporated in the United Kingdom which acts as an online retailer of energy drinks and which owns the entire share capital of Sneak Energy US Inc, a company incorporated in the United States.

The cost of the acquisition comprised cash consideration of £28,210,161, loan notes of £29,025,449 which are repayable on 11 August 2029 and transaction fees of £2,000,000.

### 11 Debtors

	2022 £
<b>Amounts falling due within one year:</b>	
Amounts owed by group undertakings	817,265
Other debtors	2,850
	<u>820,115</u>

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

	2022 £
Amounts owed to group undertakings	7,260,413
Accruals and deferred income	1,800
	<u>7,262,213</u>

### 13 Creditors: amounts falling due after more than one year

	Notes	2022 £
Loans from group undertakings	14	<u>58,357,077</u>
Amounts included above which fall due after five years are as follows:		
Payable other than by instalments		<u>58,357,077</u>

# HIGHRISE BIDCO LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 JUNE 2022

### 14 Borrowings

	2022 £
Loans from group undertakings	58,357,077
Payable after one year	58,357,077

Loans from fellow group undertakings and related parties include the following loans:

- Intra-group loan notes payable to the company's immediate parent, Highrise Cleanco Ltd, totalling £29,331,627. Interest is charged at a rate of 15% per annum and the loan is repayable on an agreed upon date, which is expected to be 11 August 2029.
- Rollover loan notes payable to the company's immediate parent, Highrise Cleanco Ltd, totalling £29,025,450. Interest is charged at a rate of 10% per annum and the loan is repayable on 11 August 2029.

### 15 Retirement benefit schemes

	2022 £
Defined contribution schemes	
Charge to profit or loss in respect of defined contribution schemes	24,697

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

### 16 Share capital

	2022 Number	2022 £
Ordinary share capital Issued and fully paid		
Ordinary shares of £1 each	100,001	100,001

The company's Ordinary shares, which carry no right to fixed income, each carry the right to one vote at general meetings of the company.

On incorporation the company issued 1 £1 Ordinary share at par for total consideration of £1.

On 11 August 2021 the company issued 100,000 £1 Ordinary shares for £8.79 per share. Total consideration of £878,534 was received generating a share premium of £778,534.

### 17 Reserves

Reserves of the company represent the following:

#### *Share premium*

Consideration received for shares issued above their nominal value net of transaction costs.

#### *Profit and loss account*

Cumulative profit and loss net of distributions to owners.

# **HIGHRISE BIDCO LTD**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)** **FOR THE PERIOD ENDED 30 JUNE 2022**

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### **18 Ultimate controlling party**

The company is a subsidiary of Highrise Cleanco Ltd. The ultimate parent of the company is Highrise Topco Ltd, which is the parent of the largest and smallest group of companies for which consolidated accounts are prepared. The consolidated accounts are available at its registered office Queens House, 32/34 Queen Street, Manchester, M2 5HT.

The directors consider the ultimate controlling party to be True Capital III LP, however there is no individual with ultimate control.