

COMPANY REGISTRATION NUMBER 01154197

TRINFOLD MANAGEMENT LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019



TRINFOLD MANAGEMENT LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2019

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TRINFOLD MANAGEMENT LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

THE BOARD OF DIRECTORS

WG Curbishley
BJ Muir
RN Rosenberg
SL Carmel
P Jassal

COMPANY SECRETARY

A Abioye

REGISTERED OFFICE

4 Pancras Square
London
N1C 4AG

AUDITOR

Grant Thornton UK LLP
Chartered Accountants
Statutory Auditor
30 Finsbury Square
London
EC2A 1AG

TRINFOLD MANAGEMENT LIMITED

STRATEGIC REPORT

YEAR ENDED 31 DECEMBER 2019

The directors present their strategic report for the company for the year ended 31 December 2019.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company during the year was involvement in the music and entertainment business.

The result and position of the company as at and for the year ended 31 December 2019 are set out in the statement of comprehensive income, statement of financial position and statement of changes in equity pages 10, 11 and 12 respectively. The result and position of the company were in line with directors' expectations.

RESULTS AND DIVIDENDS

The company's profit for the financial year was £1,164,922 (2018 - loss £6,798). The retained profit for the year has been transferred to reserves.

The directors do not recommend payment of a dividend for the year ended 31 December 2019 (2018 - £Nil)

KEY PERFORMANCE INDICATORS

The company uses a variety of performance indicators to review historical performance and plan for the future. The key indicators are turnover and gross profit margin, as described below.

Turnover

Turnover levels rose 167.0% on the prior year, this is predominantly due to the Who tour schedule. The Who undertook a large tour in 2019; the outlook for future years appears positive based on upcoming tour schedules and new business investments.

Gross profit margin

The company's gross profit margin fell from 96.7% to 64.5% this year. This was the result of the increased impact on profit share recoupment due to strong overall profits made during the year.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The company uses a variety of financial instruments including cash, equity instruments and various instruments such as artist advances, trade receivables and trade payables that arise directly from its operations.

The directors are of the view that the main risks arising from the company's financial instruments are exchange rate risk, interest rate risk, liquidity risk and credit risk, as summarised below:

Exchange rate risk

Exchange rate fluctuation presents a risk because some sales are priced in overseas currencies, and certain balances are denominated in currencies other than Sterling. The directors do not consider that the potential downside is significant enough to require hedging but continue to monitor the potential risk.

Interest rate risk

The company does not have any significant external borrowings and as such the directors consider the interest rate risk to be minimal at this stage.

Liquidity risk

The company manages its financial risk by ensuring liquidity is sufficient to meet future needs, and that sufficient funding is in place before any new commitments are entered into. The cash position and cash flow forecasts are monitored by management on a regular basis.

Credit risk

The principal credit risk arises from trade debtors. Management approve credit terms for all new customers, and regularly review the credit position of existing accounts.

TRINFOLD MANAGEMENT LIMITED

STRATEGIC REPORT (continued)

YEAR ENDED 31 DECEMBER 2019

PRINCIPAL RISKS AND UNCERTAINTIES

The company is faced with similar risks and uncertainties as other companies operating in the recorded music business, broadly:

- competition from alternative entertainment products;
- price pressure from the increased presence of supermarkets in the music market and their threat to survival of independent music retailers;
- the threat of a devalued product due to piracy and the illegal use of music;
- uncertainty as to whether the growth in the subscription services market can replace the decline in the physical and download market; and
- interest rate fluctuations.

All risks and uncertainties are regularly monitored by the Board of Directors of the company.

The Covid-19 pandemic has had widespread impacts on the economy of the UK as well as the world as a whole. Most significantly, for the company, the restrictions on live events have meant that several events have been deferred until such time as the restrictions are lifted. This has had a significant impact on the company's short term revenue projections. However as at the signing date these disruptions are expected to represent a delay in receiving revenues, rather than a reduction in revenue earned over time overall.

The directors will continue to monitor the situation and how it impacts the company's operations on an ongoing basis. However, as at the date of signing, the directors do not foresee any significant long term disruption to the company's business as a result of the pandemic.

FUTURE DEVELOPMENTS

On the 31st January 2020 the United Kingdom (UK) left the European Union (EU) and is in the process of negotiating a future relationship with the EU.

As at the signing date the nature of this relationship and its implications for the company are not clear.

The directors of the company continue to monitor the possible impact that the outcomes of this negotiation may have on the company.

The directors have put in place scenario planning which will allow the company to continue to operate in any of the feasible scenarios including leaving the EU without a deal.

Notwithstanding the risks and uncertainties outlined above, the directors do not anticipate any significant change in the activities and results of the company in the foreseeable future.

By order of the board

Paramjit Jassal

P Jassal
Director 21/5/2020

TRINFOLD MANAGEMENT LIMITED

DIRECTORS' REPORT

YEAR ENDED 31 DECEMBER 2019

The directors present their report, together with the financial statements and the auditor's report of the company for the year ended 31 December 2019.

The have included the following matters with the strategic report, otherwise required to be disclosed in the directors' report, as they are considered to be of strategic importance to the company.

- Results and dividends.
- Financial risk management objectives and policies.
- Principal risks and uncertainties.
- Future developments.

DIRECTORS

The directors who served the company during the year and subsequently were as follows:

WG Curbishley
BJ Muir
RN Rosenberg
SL Carmel
P Jassal

There were no changes to the directors during 2019.

DIRECTORS' QUALIFYING THIRD PARTY INDEMNITY PROVISIONS

A qualifying third party indemnity provision remains in force as at the date of approving the directors' report, subject to the provisions of section 236 of the Companies Act 2006. Vivendi SE, headed by Bolloré Group, the ultimate parent undertaking, maintains a Directors & Officers Liability Programme which indemnifies directors' personal liabilities resulting from alleged wrongful acts committed in the line of their employment.

POLICY ON THE PAYMENT OF CREDITORS

It is the company's policy that payments to suppliers are made in accordance with those terms and conditions agreed between the company and its suppliers, provided that all trading terms and conditions have been complied with.

TRINFOLD MANAGEMENT LIMITED

DIRECTORS' REPORT (continued)

YEAR ENDED 31 DECEMBER 2019

DONATIONS

During the year the company made the following contributions:

	2019 £	2018 £
Charitable	20,942	1,875
	<u>20,942</u>	<u>1,875</u>

GOING CONCERN - CONTINUED SUPPORT FROM PARENT UNDERTAKING

The financial statements have been prepared on a going concern basis. The company has received confirmation from Vivendi SE, the head of the smallest group in which this company's results are consolidated, that the current cash pooling arrangement in place for the company will continue for a period not less than one year from the date of approval of these financial statements. Having regard to this intention, and taking into considerations the forecasts for the company for the next financial year, the directors believe it is appropriate to prepare these financial statements on a going concern basis.

Please refer to the strategic report on pages 2 and 3 for the director's considerations with regard to going concern due to the impact of Covid-19.

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the annual report and 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), including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". 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 year. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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.

TRINFOLD MANAGEMENT LIMITED

DIRECTORS' REPORT (continued)

YEAR ENDED 31 DECEMBER 2019

AUDITOR

The Directors confirm that:

- there is no relevant audit information of which the company's auditor is unaware; and
- each director has taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

By order of the board

Bola Abioye

A Abioye

Company Secretary

Date: 21 May 2020

Company Registration Number: 01154197

TRINFOLD MANAGEMENT LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TRINFOLD MANAGEMENT LIMITED

YEAR ENDED 31 DECEMBER 2019

Opinion

We have audited the financial statements of Trinifold Management Limited (the 'Company') for the year ended 31 December 2019 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, 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 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with 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.

The impact of macro-economic uncertainties on our audit

Our audit of the financial statements requires us to obtain an understanding of all relevant uncertainties, including those arising as a consequence of the effects of macro-economic uncertainties such as Covid-19 and Brexit. All audits assess and challenge the reasonableness of estimates made by the directors and the related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

Covid-19 and Brexit are amongst the most significant economic events currently faced by the UK, and at the date of this report their effects are subject to unprecedented levels of uncertainty, with the full range of possible outcomes and their impacts unknown. We applied a standardised firm-wide approach in response to these uncertainties when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company associated with these particular events.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

TRINFOLD MANAGEMENT LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TRINFOLD MANAGEMENT LIMITED (continued)

YEAR ENDED 31 DECEMBER 2019

In our evaluation of the directors' conclusions, we considered the risks associated with the company's business, including effects arising from macro-economic uncertainties such as Covid-19 and Brexit, and analysed how those risks might affect the company's financial resources or ability to continue operations over the period of at least twelve months from the date when the financial statements are authorised for issue. In accordance with the above, we have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report 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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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 year 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.

Matter on which we are required to report under the Companies Act 2006

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 any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

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.

TRINFOLD MANAGEMENT LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TRINFOLD MANAGEMENT LIMITED (continued)

YEAR ENDED 31 DECEMBER 2019

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on pages 4 to 6, 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the 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.

Grant Thornton UK LLP

Nicholas Page (Senior Statutory Auditor)

For and on behalf of Grant Thornton UK LLP

Statutory Auditor, Chartered Accountants

London

EC2A 1AG

Date: 21 May 2020

Company Registration Number: 01154197

TRINFOLD MANAGEMENT LIMITED
STATEMENT OF COMPREHENSIVE INCOME
YEAR ENDED 31 DECEMBER 2019

	Note	2019 £	2018 £
TURNOVER	4	5,131,853	1,922,116
Cost of sales		<u>(1,821,693)</u>	<u>(57,894)</u>
GROSS PROFIT		3,310,160	1,864,222
Administrative expenses		<u>(2,034,517)</u>	<u>(1,874,437)</u>
OPERATING PROFIT/(LOSS)	5	1,275,643	(10,215)
Interest receivable and similar income	8	244,729	72,305
Interest payable and similar charges	9	<u>(78,254)</u>	<u>(65,414)</u>
PROFIT/(LOSS) BEFORE TAXATION		1,442,118	(3,324)
Tax on profit/loss	10	<u>(277,196)</u>	<u>(3,474)</u>
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		<u>1,164,922</u>	<u>(6,798)</u>

All of the activities of the company are classed as continuing operations.

The notes on pages 13 to 25 form part of these financial statements

TRINFOLD MANAGEMENT LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

	Note	2019 £	2018 £
FIXED ASSETS			
Property, plant & equipment	11	17,096	16,555
		<u>17,096</u>	<u>16,555</u>
CURRENT ASSETS			
Debtors: Amounts falling due within one year	12	13,177,305	11,628,392
		<u>13,177,305</u>	<u>11,628,392</u>
CREDITORS: Amounts falling due within one year	13	(10,064,767)	(9,680,235)
NET CURRENT ASSETS		<u>3,112,538</u>	<u>1,948,157</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>3,129,634</u>	<u>1,964,712</u>
NET ASSETS		<u>3,129,634</u>	<u>1,964,712</u>
CAPITAL AND RESERVES			
Called-up equity share capital	20	100	100
Profit and loss account		<u>3,129,534</u>	<u>1,964,612</u>
EQUITY SHAREHOLDERS' FUNDS		<u>3,129,634</u>	<u>1,964,712</u>

These accounts were approved by the board of directors and authorised for issue on 21/5/2020 and are signed on their behalf by:

Paramjit Jassal
P Jassal
Director

The notes on pages 13 to 25 form part of these financial statements

TRINFOLD MANAGEMENT LIMITED
STATEMENT OF CHANGES IN EQUITY
YEAR ENDED 31 DECEMBER 2019

	Share capital	Profit & Loss Account	Total share-holders' funds
	£	£	£
Balance brought forward at 1 January 2018	100	1,971,410	1,971,510
Total comprehensive income for the period			
Loss for the year	-	(6,798)	(6,798)
Dividends paid	-	-	-
Balance brought forward at 1 January 2019	100	1,964,612	1,964,712
Total comprehensive income for the period			
Profit for the year	-	1,164,922	1,164,922
Balance carried forward at 31 December 2019	100	3,129,534	3,129,634

The notes on pages 13 to 25 form part of these financial statements

TRINFOLD MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2019

1. GENERAL INFORMATION

Trinifold Management Limited is a private company limited by shares and incorporated in the UK under the Companies Act 2006 and registered in England and Wales. The registered office is 4 Pancras Square, London, NIC 4AG.

The principal activities of the company and the nature of its operations are set out in the strategic report on pages 2 to 3.

2. STATEMENT OF COMPLIANCE

The company's financial statements have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

3. ACCOUNTING POLICIES

Basis of preparation of financial statements

These financial statements have been prepared on a going concern basis, under the historical cost convention. The financial statements are prepared in sterling, which is the functional currency of the company, and have been rounded to the nearest £.

FRS 102 - Qualifying exemptions

The company meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102:

- from preparing a statement of cash flows and related notes;
- from preparing a reconciliation of the number of shares outstanding from the beginning to the end of the financial year;
- from disclosing related party disclosures;
- from disclosing key management personnel compensation;
- from certain financial instrument disclosures required by FRS 102.11 *Basic Financial Instruments* and FRS 102.12 *Other Financial Instruments*; and

This information is included in the consolidated financial statements of the company's parent undertaking, Vivendi SA, copies of which can be obtained from 42 Avenue de Friedland, 75380 Paris, Cedex 08, France.

Other qualifying exemptions

As the ultimate parent undertaking prepares publicly available consolidated accounts and is incorporated within the European Union the company has taken advantage of the exemption under section 400 of the Companies Act 2006 from preparing consolidated accounts. As such, these financial statements give information about the company as an individual undertaking and not about its group.

Going concern - continued support from parent undertaking

As discussed in the director's report on page 5 the Company's accounts are prepared on a going concern basis. The company has received confirmation from Vivendi SE, the company's intermediate parent undertaking, of its intention to continue to provide financial and other support to the extent necessary to enable the company to continue to pay its liabilities as and when they become due for a period not less than one year from the date of approval of these financial statements. Having regard to this intention, the directors have considered the impact of Covid-19 and believe it is appropriate to prepare these financial statements on a going concern basis.

TRINFOLD MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31 DECEMBER 2019

3. ACCOUNTING POLICIES (continued)

Turnover

Turnover comprises the value of management commission, commission on recording, publishing, merchandising and similar artist income and commission on tour income. It is stated net of VAT, discounts and returns.

Management Commission

Management commission income is recognised when a right to consideration has been established, the commissions can be reliably quantified and receipt of such commissions is considered certain in normal circumstances, this results in revenue being recognised in the period in which the managed artist realises income from their contractual arrangements with third parties, thus triggering the manager's right to commission.

Commission on recording, publishing, merchandising and similar artist income

Where an artist has contracted with a third party to receive stage payments of advances, commission income is recognised when the artist receives, or becomes contractually due to receive these payments, for example, where a managed artist has a contract with a record company.

Commission on tour income

Commission is recognised on concerts played in the period. Where a tour straddles the end of the period, commission income is recognised only in respect of those concerts played before the period end. Where final accountings for concerts played in the period are not available, the amount of commissionable income to be recognised is assessed based on the contractual terms and the best information available as to concert attendances and takings. In the absence of better information, this estimate is based on the minimum level of income guaranteed to the managed artist by the promoter.

Property, plant and equipment

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Leasehold properties	Over the term of the lease
Plant & Machinery	15% reducing balance

The carrying values of tangible fixed assets are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

TRINFOLD MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2018

3. ACCOUNTING POLICIES (continued)

Financial instruments

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

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

Financial assets and liabilities

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Impairment (excluding inventories and deferred tax assets)

Impairment of assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

Financial assets

For financial assets carried at amortised cost, the amount of an impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

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

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

TRINFOLD MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2019

3. ACCOUNTING POLICIES (continued)

Employee benefits

Pension costs and other post-retirement benefits

The company participates in a pension scheme in the UK, ultimately operated by Vivendi SE; the Universal Music Group Pension Scheme ("UMGPS" or "the Scheme"). The Scheme is a mixed defined benefit and defined contribution Scheme and operates on a pre-funded basis.

In respect of employees of the Company, Company contributions to the defined contribution section are charged to the statement of comprehensive income as they become payable in accordance with the rules of the Scheme. The defined contribution section of the Scheme closed to future accrual from 31 March 2011.

With effect from 1 April 2011 defined contribution accrual is under a contract based Group Personal Pension ("GPP") arrangement operated by Standard Life. In respect of employees of the Company, Company contributions to the GPP are charged to the statement of comprehensive income as they become payable.

FRS 102 requires that the Scheme's underlying assets and liabilities can be allocated to the entities sponsoring the Scheme. This allocation could not be done on a consistent and reasonable basis for Trinifold Management Limited alone.

Provisions

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Leases

The company as lessee

Assets held under finance leases, hire purchase contracts and other similar arrangements, which confer rights and obligations similar to those attached to owned assets, are capitalised as tangible fixed assets at the fair value of the leased asset (or, if lower, the present value of the minimum lease payments as determined at the inception of the lease) and are depreciated over the shorter of the lease terms and their useful lives. The capital elements of future lease obligations are recorded as liabilities, while the interest elements are charged to the profit and loss account over the period of the leases to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

TRINFOLD MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31 DECEMBER 2019

3. ACCOUNTING POLICIES (continued)

Interest receivable and Interest payable

Interest payable and similar charges include interest payable, finance charges, unwinding of the discount on provisions, and net foreign exchange losses that are recognised through profit or loss in the statement of comprehensive income.

Other interest receivable and similar income include interest receivable on funds invested and net foreign exchange gains.

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised through profit or loss in the statement of comprehensive income except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the statement of financial position date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; and differences relating to investments in subsidiaries, associated and joint ventures to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the statement of financial position date. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Foreign currencies

Transactions in foreign currencies are translated to the company's functional currency at the foreign exchange rate ruling at the date of transaction. Monetary assets and liabilities denominated in foreign currencies at the statement of financial position date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised through profit or loss in the statement of comprehensive income except for differences arising on the retranslation of qualifying cash flow hedges and items which are fair valued with changes taken to other comprehensive income.

TRINFOLD MANAGEMENT LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 DECEMBER 2019

3. ACCOUNTING POLICIES (continued)

Critical accounting judgements and key sources of estimation uncertainty

The directors may make judgements in the application of the accounting policies above that have a significant impact on the amounts recognised, and may make estimates and assumptions about the carrying amounts 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 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.

Recoverability of trade debtors

An allowance for bad debt is netted off against trade debtors. The bad debt allowance requires management's best estimate of the recoverability of trade debtors. The recoverability of trade debtors is based on debtor payment trends and knowledge of the business.

Accrued income

Where final accountings for concerts played in the period are not available, the amount of commissionable income to be recognised is assessed based on the contractual terms and the best information available as to concert attendances and takings. In the absence of better information, this estimate is based on the minimum level of income guaranteed to the managed artist by the promoter.

4. TURNOVER

Turnover by activity is as follows:

	2019	2018
	£	£
Royalties	129,123	228,762
Touring Income	5,002,730	1,693,354
	<u>5,131,853</u>	<u>1,922,116</u>

Turnover by source is exclusively derived in the United Kingdom.

5. OPERATING PROFIT

Operating profit is stated after charging/(crediting):

	2019	2018
	£	£
Depreciation of owned fixed assets (note 11)	2,911	2,310
Auditor's remuneration	12,500	9,300
Operating lease costs:		
- Land and buildings	<u>180,012</u>	<u>200,932</u>

TRINFOLD MANAGEMENT LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 DECEMBER 2019

6. PARTICULARS OF EMPLOYEES

The average number of staff employed by the company during the financial year amounted to:

	2019 No	2018 No
Number of administrative staff	9	9

7. DIRECTORS' REMUNERATION

The directors' aggregate remuneration in respect of qualifying services were:

	2019 £	2018 £
Aggregate emoluments	886,000	1,043,230
	<u>886,000</u>	<u>1,043,230</u>

The emoluments of three directors (2018: three) were paid and borne by other fellow group undertakings and they received no remuneration in respect of their services to the company. The directors are deemed to be the only key management personnel in Trinifold Management Limited.

As at 31 December 2018, £1,079,942 (2018: £862,329) had been advanced to the director's as part of a long term incentive scheme.

Not included in the above is £1,436,763 (2018: (£217,613k)) relating to movements in a profit sharing agreement between the directors of the company and Universal Music Group.

Remuneration of highest paid director:

	2019 £	2018 £
Directors' emoluments	517,000	591,890
	<u>517,000</u>	<u>591,890</u>

Retirement benefits are accruing to two directors under the Group Personal Pension arrangement (GPP). Four directors, one of whom was the highest paid director were not members of any retirement benefit scheme.

Not included in the above is £1,077,572 (2018: (£113,210)) relating to movements in a profit sharing agreement between the directors of the company and Universal Music Group

TRINFOLD MANAGEMENT LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 DECEMBER 2019

8. INTEREST RECEIVABLE AND SIMILAR INCOME

	2019 £	2018 £
Interest receivable from group undertakings	244,729	72,305
	<u>244,729</u>	<u>72,305</u>

9. INTEREST PAYABLE AND SIMILAR CHARGES

	2019 £	2018 £
Interest payable to group undertakings	78,254	65,414
	<u>78,254</u>	<u>65,414</u>

TRINFOLD MANAGEMENT LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 DECEMBER 2019

10. TAX ON PROFIT

(a) Analysis of tax charge in the year

	2019 £	2018 £
Current tax:		
UK Taxation		
In respect of the year		
Group relief payable for losses surrendered from other group undertakings	277,108	3,287
Total current tax	<u>277,108</u>	<u>3,287</u>
Deferred tax:		
Origination and reversal of timing differences	88	187
Total deferred tax	<u>88</u>	<u>187</u>
Tax on profit/(loss)	<u>277,196</u>	<u>3,474</u>

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 19.0% (2018 - 19.0%).

Under the Finance (No.2) Act 2015, the main rate of corporation tax was reduced from 20% to 19% effective from 1 April 2017. A further reduction to 17% from 1 April 2020 was also enacted on 15 September 2016 by virtue of the Finance Act 2016 s46. However, as announced in the Budget on 11 March 2020, the corporation tax main rate will not reduce to 17% and remain at 19.0%.

Deferred tax assets and liabilities are measured at the rate that is enacted and expected to apply to the accounting period when the asset is realised or the liability is settled, based on the above rates.

	2019 £	2018 £
Profit/(Loss) before taxation	1,442,118	(3,324)
Profit/(Loss) at the standard rate of UK Corporation tax of 19.0% (2018: 19.0%)	274,003	(632)
Expenses not deductible for tax purposes	3,202	4,128
Impact of statutory rate change	(9)	(22)
Current tax charge for the financial year	<u>277,196</u>	<u>3,474</u>

(c) Factors that may affect future tax charges

The company has a total unutilised tax losses carried forward estimated at £Nil (2018 - £Nil), which may reduce future tax charges. No deferred tax asset has been recognised in respect of these losses due to uncertainty as to their future recoverability.

TRINFOLD MANAGEMENT LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 DECEMBER 2019

11. PROPERTY, PLANT & EQUIPMENT

	Leasehold Properties £	Plant & Machinery £	Total £
COST			
At 1 January 2019	43,508	439,779	483,287
Additions	-	3,452	3,452
At 31 December 2019	43,508	443,231	486,739
DEPRECIATION			
At 1 January 2019	43,508	423,224	466,732
Charge for the year	-	2,911	2,911
At 31 December 2019	43,508	426,135	469,643
NET BOOK VALUE			
At 31 December 2019	-	17,096	17,096
At 31 December 2018	-	16,555	16,555

12. DEBTORS: Amounts falling due within one year

	2019 £	2018 £
Trade debtors	983,384	520,337
Amounts owed by group undertakings	11,307,457	9,257,695
Other debtors	99,381	1,124,764
Prepayments and accrued income	787,083	725,596
	13,177,305	11,628,392

All amounts owed from fellow group undertakings are classified as current as they are repayable on demand. Interest rates on intercompany loans have been agreed between parties on a loan by loan basis.

TRINFOLD MANAGEMENT LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 DECEMBER 2019

13. CREDITORS: Amounts falling due within one year

	2019 £	2018 £
Bank loans and overdrafts	570	1,727
Amounts owed to group undertakings	9,607,151	9,528,896
Corporation tax	1,132	1,508
VAT	60,852	106,027
Accruals and deferred income	35,394	41,905
Other creditors	359,409	-
Deferred taxation (note 14)	259	172
	<u>10,064,767</u>	<u>9,680,235</u>

14. DEFERRED TAXATION

The movement in the deferred taxation account during the year was:

	2019 £	2018 £
Balance brought forward	172	15
Deferred taxation on ordinary activities account movement arising during the year	87	(187)
Provision carried forward	<u>259</u>	<u>172</u>

Deferred taxation consists of the tax effect of timing differences in respect of:

	2019 £	2018 £
Excess of depreciation over taxation allowances	259	172
	<u>259</u>	<u>172</u>

The deferred tax is included in the statement of financial position is as follows:

	2019 £	2018 £
Included in creditors (note 13)	<u>259</u>	<u>172</u>

TRINFOLD MANAGEMENT LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 DECEMBER 2019

15. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2019 the company had annual commitments under non-cancellable operating leases as set out below.

	Land and buildings	
	2019	2018
	£	£
Operating leases which expire:		
Within 1 year	68,952	-
Between 1 and 5 years	-	205,775
	<u>68,952</u>	<u>205,775</u>

16. POST BALANCE SHEET EVENT

Covid-19 is a non adjustment post balance sheet event. Please refer to the strategic report on pages 2 and 3 and the Basis of Preparation Note, within note 3, for further details of the director's assessment of the impact of this on the company. No other post balance sheet events have been identified by management.

17. CAPITAL COMMITMENTS

The company had no capital commitments at 31 December 2019 or 31 December 2018.

18. CONTINGENT LIABILITIES

The company had no contingent liabilities at 31 December 2019 or 31 December 2018.

19. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption in FRS 102 Section 33 not to disclose related party transactions in the financial statements.

TRINFOLD MANAGEMENT LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 DECEMBER 2019

20. SHARE CAPITAL

Authorised:

	2019		2018	
	No	£	No	£
Ordinary shares of £1 each	100	100	100	100
	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>
	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

Allotted, called up and fully paid:

	2019		2018	
	No	£	No	£
Ordinary shares of £1 each	100	100	100	100
	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>
	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

21. ULTIMATE PARENT COMPANY

The immediate parent undertaking is Universal SRG Group Limited. The ultimate parent undertaking and controlling party as at 31 December 2019.

The smallest group in which the results of the company are consolidated is that headed by Vivendi SE, a company incorporated in France. Copies of its annual report in English may be obtained from:

42 Avenue de Friedland
75380 Paris
Cedex 08
France

The largest group in which the results of the company are consolidated is that headed by Bolloré Group, a company incorporated in France. Copies of its annual report in English may be obtained from:

Tour Bolloré
31-32 quai de Dion Bouton
92 811 Puteaux
France