

**COMPANY REGISTRATION NUMBER 01781138**

**TRINFOLD MUSIC LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**



**TRINFOLD MUSIC LIMITED**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2021**

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## **TRINFOLD MUSIC LIMITED**

### **OFFICERS AND PROFESSIONAL ADVISERS**

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#### **THE BOARD OF DIRECTORS**

WG Curbishley  
BJ Muir  
RN Rosenberg  
SL Carmel  
PS Kramer (appointed on 24 January 2022)  
P Jassal (resigned on 24 January 2022)

#### **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 MUSIC LIMITED**

## **STRATEGIC REPORT**

### **YEAR ENDED 31 DECEMBER 2021**

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The directors present their strategic report for the company for the year ended 31 December 2021.

#### **PRINCIPAL ACTIVITIES AND BUSINESS REVIEW**

The principal activity of the company during the year was music publishing.

The result and position of the company as at and for the year ended 31 December 2021 are set out in the statement of comprehensive income, statement of financial position and statement of changes in equity pages 11, 12 and 13 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 £2,658 (unaudited result 2020 - profit £910). 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 2021 (unaudited result 2020 - £Nil)

#### **KEY PERFORMANCE INDICATORS**

Given the straightforward nature of the business, the Company's directors are of the opinion that analysis using key performance indicators is not necessary for an understanding of the development, performance or position of the business.

#### **FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The company uses a variety of financial instruments including cash 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.

##### ***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.

**TRINFOLD MUSIC LIMITED**  
**STRATEGIC REPORT (continued)**  
**YEAR ENDED 31 DECEMBER 2021**

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**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.

**FUTURE DEVELOPMENTS**

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

*Robert Rosenberg*

RN Rosenberg  
Director

Date: 20 May 2022

# **TRINFOLD MUSIC LIMITED**

## **DIRECTORS' REPORT**

### **YEAR ENDED 31 DECEMBER 2021**

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The directors present their report, together with the financial statements and the auditor's report of the company for the year ended 31 December 2021.

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 (resigned on 24 January 2022)

PS Kramer (appointed on 24 January 2022)

There were no changes to the directors during 2021.

#### **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. Universal Music Group N.V., 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 MUSIC LIMITED**

## **DIRECTORS' REPORT (continued)**

### **YEAR ENDED 31 DECEMBER 2021**

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#### **DONATIONS**

The company made no charitable or political donations in either year.

#### **GOING CONCERN CONTINUED SUPPORT FROM PARENT UNDERTAKING**

The financial statements have been prepared on the going concern basis as the company has received confirmation from Universal Music Group N.V., 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 of not less than one year from the date of approval of these financial statements. Having regard to this intention, and the ability of Universal Music Group N.V. to provide such support if necessary, the directors believe it is appropriate to prepare these financial statements on a going concern basis.

#### **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 MUSIC LIMITED**

### **DIRECTORS' REPORT (continued)**

**YEAR ENDED 31 DECEMBER 2021**

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#### **AUDITOR**

The year ended 31 December 2020 was unaudited.

Grant Thornton UK LLP was appointed to audit the financial statement for the period ended 31 December 2021.

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all the steps that they ought to have taken as directors in order 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: 20 May 2022

Company Registration Number: 01781138



# **TRINFOLD MUSIC LIMITED**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TRINFOLD MUSIC LIMITED YEAR ENDED 31 DECEMBER 2021**

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### **Opinion**

We have audited the financial statements of Trifold Music Limited (the 'company') for 31 December 2021 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 2021 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 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.

The company was not required to have a statutory audit for the year ended 31 December 2020 as it was entitled to the exemption from the provision of the Companies Act 2006 relating to the audit of financial statements for the period by virtue of section 477 and no member or members requested for an audit pursuant to section 476 of the Act. Accordingly the figures of the year ended 31 December 2020 are unaudited.

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

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the company to cease to continue as a going concern.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the company's business model including effects arising from macro-economic uncertainties such as Brexit and Covid-19, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.

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.

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.

The responsibilities of the directors with respect to going concern are described in the 'Responsibilities of directors for the financial statements' section of this report.

## **TRINFOLD MUSIC LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TRINFOLD MUSIC LIMITED (continued)**

**YEAR ENDED 31 DECEMBER 2021**

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#### **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 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 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.

# TRINFOLD MUSIC LIMITED

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

YEAR ENDED 31 DECEMBER 2021

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### Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement, 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: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

### Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

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

- We understood how the Company is complying with those legal and regulatory frameworks by making enquiries of management and those responsible for legal and compliance. We corroborated our enquiries through our review of any correspondence received from regulatory bodies.
- We assessed the susceptibility of the Company's Financial Statements to material misstatement, including how fraud might occur by meeting with management from relevant parts of the business to understand where management considered there was a susceptibility to fraud. We also considered performance targets and their influence on efforts made by management to manage earnings or influence the perceptions of analysts.
- Audit procedures performed by the engagement team included:
  - evaluation of the programmes and controls established to address the risks related to irregularities and fraud;
  - testing manual journal entries, in particular journal entries relating to management estimates and entries determined to be large or relating to unusual transactions;
  - reviewing the accounting estimates, judgements and decisions made by management specifically around the bad debt provision and accrued income;
  - identifying and testing related party transactions.
- Assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
  - understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation
  - knowledge of the industry in which the client operates
  - understanding of the legal and regulatory requirements specific to the entity/regulator entity including:
    - the provisions of the applicable legislation
    - the regulators rules and related guidance including guidance issued by relevant authorities that interprets those rules
    - the applicable statutory provisions
- We did not identify any matters relating to non-compliance with laws and regulation or relating to fraud.

## **TRINFOLD MUSIC LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TRINFOLD MUSIC LIMITED (continued)**

**YEAR ENDED 31 DECEMBER 2021**

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#### **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 PhD BSc FCA (Senior Statutory Auditor)

For and on behalf of Grant Thornton UK LLP

Statutory Auditor, Chartered Accountants

London  
EC2A 1AG

Date: 20 May 2022

Company Registration Number: 01781138

**TRINFOLD MUSIC LIMITED**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**YEAR ENDED 31 DECEMBER 2021**

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|                                      | Note     | 2021<br>£     | 2020<br>£<br>UNAUDITED |
|--------------------------------------|----------|---------------|------------------------|
| <b>TURNOVER</b>                      | <b>4</b> | <b>1,583</b>  | <b>4,928</b>           |
| <b>GROSS PROFIT</b>                  |          | <b>1,583</b>  | <b>4,928</b>           |
| Administrative expenses              |          | (17,429)      | (3,780)                |
| Other operating income               | <b>5</b> | <b>19,141</b> | -                      |
| <b>OPERATING PROFIT</b>              | <b>5</b> | <b>3,295</b>  | <b>1,148</b>           |
| Interest payable and similar charges | <b>7</b> | <b>(14)</b>   | <b>(25)</b>            |
| <b>PROFIT BEFORE TAXATION</b>        |          | <b>3,281</b>  | <b>1,123</b>           |
| Tax on profit                        | <b>8</b> | <b>(623)</b>  | <b>(213)</b>           |
| <b>PROFIT FOR THE FINANCIAL YEAR</b> |          | <b>2,658</b>  | <b>910</b>             |

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

The notes on pages 14 to 20 form part of these financial statements

**TRINFOLD MUSIC LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2021**

|   | <b>Note</b> | <b>2021</b><br><b>£</b> | <b>2020</b><br><b>£</b><br><b>UNAUDITED</b> |
|---|-------------|-------------------------|---|
| <b>CURRENT ASSETS</b>                                 |             |                         |   |
| Debtors: Amounts falling due within one year          | <b>9</b>    | <b>25,213</b>           | <b>32,588</b>                               |
|   |             | <b>25,213</b>           | <b>32,588</b>                               |
| <b>CREDITORS: Amounts falling due within one year</b> | <b>10</b>   | <b>(41,342)</b>         | <b>(51,375)</b>                             |
| <b>NET CURRENT LIABILITIES</b>                        |             | <b>(16,129)</b>         | <b>(18,787)</b>                             |
| <b>NET LIABILITIES</b>                                |             | <b>(16,129)</b>         | <b>(18,787)</b>                             |
| <b>CAPITAL AND RESERVES</b>                           |             |                         |   |
| Called-up equity share capital                        | <b>11</b>   | <b>20</b>               | <b>20</b>                                   |
| Profit and loss account                               |             | <b>(16,149)</b>         | <b>(18,806)</b>                             |
| <b>EQUITY SHAREHOLDERS' DEFICIT</b>                   |             | <b>(16,129)</b>         | <b>(18,787)</b>                             |

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

RN Rosenberg  
 Director

*Robert Rosenberg*

Date: 20 May 2022

**The notes on pages 14 to 20 form part of these financial statements**

**TRINFOLD MUSIC LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**YEAR ENDED 31 DECEMBER 2021**

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|  | Share capital<br>£ | Profit & Loss Account<br>£ | Total share-holders' funds<br>£ |
|--|--------------------|----------------------------|---------------------------------|
| Balance brought forward at 1 January 2020          | 20                 | (19,717)                   | (19,697)                        |
| <b>Total comprehensive income for the period</b>   |                    |                            |                                 |
| Profit for the year                                | -                  | 910                        | 910                             |
| Balance brought forward at 1 January 2021          | 20                 | (18,806)                   | (18,787)                        |
| <b>Total comprehensive income for the period</b>   |                    |                            |                                 |
| Profit for the year                                | -                  | 2,658                      | 2,658                           |
| <b>Balance carried forward at 31 December 2021</b> | <b>20</b>          | <b>(16,149)</b>            | <b>(16,129)</b>                 |

The notes on pages 14 to 20 form part of these financial statements

# TRINFOLD MUSIC LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### YEAR ENDED 31 DECEMBER 2021

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#### 1. GENERAL INFORMATION

Trinifold Muic 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, N1C 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, Universal Music Group N.V., copies of which can be obtained from 's-Gravelandseweg 80, 1217 EW Hilversum, The Netherlands.

##### **Going concern - continued support from parent undertaking**

The financial statements have been prepared on the going concern basis as the company has received confirmation from Universal Music Group N.V., 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 of not less than one year from the date of approval of these financial statements. Having regard to this intention, and the ability of Universal Music Group N.V. to provide such support if necessary, the directors believe it is appropriate to prepare these financial statements on a going concern basis.



**TRINFOLD MUSIC LIMITED****NOTES TO THE FINANCIAL STATEMENTS (continued)****YEAR ENDED 31 DECEMBER 2021**

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**3. ACCOUNTING POLICIES (continued)****Turnover**

Turnover shown in the statement of comprehensive income represents amounts invoiced during the year, exclusive of Value Added Tax.

United Kingdom digital and royalty income is credited to the statement of comprehensive income in the period to which it relates, or if it cannot be reliably estimated, on a receipt basis. Overseas digital and royalty income, which is all collected on behalf of the company by other group undertakings, is credited to the statement of comprehensive income in the period overseas sales are reported to the company. Royalties payable are charged against the relevant income of the same period.

**Financial instruments**

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

***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*****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 MUSIC LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### YEAR ENDED 31 DECEMBER 2021

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#### 3. ACCOUNTING POLICIES (continued)

##### Interest receivable and Interest payable

Interest payable and similar charges include interest payable, finance charges, 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 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.

**TRINFOLD MUSIC LIMITED****NOTES TO THE FINANCIAL STATEMENTS (continued)****YEAR ENDED 31 DECEMBER 2021**

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**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.

**4. TURNOVER**

Turnover by activity is as follows:

|           | 2021<br>£    | 2020<br>£    |
|-----------|--------------|--------------|
|           |              | UNAUDITED    |
| Royalties | 1,583        | 4,928        |
|           | <u>1,583</u> | <u>4,928</u> |

Turnover by source is exclusively derived in the United Kingdom.

**5. AUDITORS' REMUNERATION**

The auditors' remuneration for the year ended 31 December 2021 was £11,500 (unaudited result 2020 £Nil) and was borne by another group company.

**6. PARTICULARS OF EMPLOYEES**

The company had no employees during the year ended 31 December 2021 (2020 - none).

Emoluments for the directors of the Company are paid for by a fellow group company. The fellow group company has not recharged any amount to the Company (2020: nil) on the basis that they are unable to make a reasonable apportionment of the portion of these total emoluments that relate to qualifying services provided by directors of the Company

**TRINFOLD MUSIC LIMITED****NOTES TO THE FINANCIAL STATEMENTS (continued)****YEAR ENDED 31 DECEMBER 2021****7. INTEREST PAYABLE AND SIMILAR CHARGES**

|  | 2021<br>£ | 2020<br>£<br>UNAUDITED |
|--|-----------|------------------------|
| Interest payable to group undertakings | 14        | 25                     |
|  | <u>14</u> | <u>25</u>              |

**8. TAX ON PROFIT****(a) Analysis of tax charge in the year**

|  | 2021<br>£  | 2020<br>£<br>UNAUDITED |
|--|------------|------------------------|
| <b>Current tax:</b>  |            |                        |
| <b>UK Taxation</b>   |            |                        |
| In respect of the year   |            |                        |
| Group relief payable for losses surrendered for losses claimed from other group undertakings | 623        | 213                    |
| Total current tax  | <u>623</u> | <u>213</u>             |
| <b>Deferred tax:</b>   |            |                        |
| Origination and reversal of timing differences   | -          | -                      |
| Total deferred tax   | <u>-</u>   | <u>-</u>               |
| Tax on profit  | <u>623</u> | <u>213</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% (2020 - 19.0%).

Under the Finance Act 2021, the main rate of corporation tax was increased from 19% to 25% with effect from 1 April 2023. This change was substantively enacted for IFRS and UK GAAP purposes on 24 May 2021. 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.

**TRINFOLD MUSIC LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**YEAR ENDED 31 DECEMBER 2021**

**8. TAX ON PROFIT (continued)**

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.

|  | 2021<br>£ | 2020<br>£<br>UNAUDITED |
|--|-----------|------------------------|
| Profit before taxation   | 3,281     | 1,123                  |
| Profit at the standard rate of UK Corporation tax of 19.0% (2020: 19.0%) | 623       | 213                    |
| Current tax charge for the financial year                                | 623       | 213                    |

**(c) Factors that may affect future tax charges**

The company has a total unutilised tax losses carried forward estimated at £Nil (2020 - £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.

**9. DEBTORS: Amounts falling due within one year**

|                                    | 2021<br>£ | 2020<br>£<br>UNAUDITED |
|------------------------------------|-----------|------------------------|
| Amounts owed by group undertakings | 25,213    | 15,190                 |
| Other debtors                      | -         | 17,398                 |
|                                    | 25,213    | 32,588                 |

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.

**10. CREDITORS: Amounts falling due within one year:**

|                                    | 2021<br>£ | 2020<br>£<br>UNAUDITED |
|------------------------------------|-----------|------------------------|
| Amounts owed to group undertakings | 25,123    | 9,759                  |
| Other taxation and social security | 782       | 2,820                  |
| Accruals and deferred income       | 13,369    | 38,796                 |
| Other creditors                    | 2,068     | -                      |
|                                    | 41,342    | 51,375                 |

**TRINFOLD MUSIC LIMITED****NOTES TO THE FINANCIAL STATEMENTS (continued)****YEAR ENDED 31 DECEMBER 2021****11. SHARE CAPITAL****Authorised:**

|                            | 2021         |              | 2020         |              |
|----------------------------|--------------|--------------|--------------|--------------|
|                            | No           | £            | No           | £            |
| Ordinary shares of £1 each | 1,000        | 1,000        | 1,000        | 1,000        |
|                            | <u>1,000</u> | <u>1,000</u> | <u>1,000</u> | <u>1,000</u> |

**Allotted, called up and fully paid:**

|                            | 2021      |           | 2020      |           |
|----------------------------|-----------|-----------|-----------|-----------|
|                            | No        | £         | No        | £         |
| Ordinary shares of £1 each | 20        | 20        | 20        | 20        |
|                            | <u>20</u> | <u>20</u> | <u>20</u> | <u>20</u> |

**12. ULTIMATE PARENT COMPANY**

The immediate parent undertaking is Universal SRG Group Limited. The ultimate parent undertaking and controlling party as at 31 December 2021 is Universal Music Group N.V.

The smallest and largest group in which the result of the company is consolidated is that headed by Universal Music Group N.V. Copies of its annual report in English may be obtained from its registered office at:

Universal Music Group  
's-Gravelandseweg 80  
1217 EW Hilversum  
The Netherlands