

Company registration no. 01819018 (England and Wales)

THE COPYRIGHTS GROUP LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS
For the year ended

31 December 2022

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THE COPYRIGHTS GROUP LIMITED

COMPANY INFORMATION

Directors

N F Durbridge
A Marsh
R Halpern
A Hamilton
E Leclabart
K Needham
M Sheehan
H Spearing

Company number

01819018

Registered office

3 Pancras Square
3rd Floor
London
N1C 4AG
United Kingdom

Auditor

Ernst & Young LLP
1 More London Place
London
SE1 2AF

THE COPYRIGHTS GROUP LIMITED

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THE COPYRIGHTS GROUP LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present their annual report and financial statements for the year ended 31 December 2022.

Principal activities

The principal activity of the company is that of merchandising agents for writers, artists and brand owners.

Principal risks and uncertainties

The directors have undertaken a fair and balanced review of the accounts and recognise the following points:

The company's financial risk management objectives consist of identifying and monitoring those risks which have an adverse impact on the value of the company's financial assets and liabilities or on reported profitability and on the cash flows of the company.

The main financial risks impacting the company are:

- The risks associated with representing multiple brands is protecting our business relationship with the brand owners to continuously represent them without losing the contract to a competitor.
- Risks related to the license with Greenwich Polo Club and acting on behalf of the brand owner of their intellectual property and the protection of this intellectual property from any counterfeiting or use without the corresponding license from the company. The brand owner is currently litigating against a number of other trademarks relating to the company's logo use, this is ongoing, however any costs related to the legal work is recovered from the brand owner. We have also won any recent cases and would be confident to do so again going forward.
- Risks related to the collection of royalties from the licensing of all the intellectual properties we represent. We must ensure we enter into license contracts only with well-established and reputable companies and retailers with established reputations in the licensing industry.
- Risks related to reputation and public perception of all intellectual properties we represent, especially the Paddington Bear property. On behalf of our clients we exercise careful standards of quality control through pro-active review of all products, packaging, promotional and advertising material to ensure that the public reputation of the property is preserved and enhanced.
- The international trade is significant and therefore the company is at risk from currency exchange rate volatility. The company trades in Euro, US Dollar, Australian Dollar and Japanese Yen currencies.
- Potential risks associated with the war in Ukraine, inflation issues and global supply chain issues which have affected the company with the licensing of the brand and our partners. Delays with manufacturers of getting the merchandise out to retail has in turn reduced the value of royalties reported. Our agent is working closely with the brand partners and offering support where they can in terms of cash management and contractual requests.

THE COPYRIGHTS GROUP LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

Key events in the period

The Vivendi Group continues to develop the Paddington intellectual property and to make a global franchise of such property in the same way as big IPs are being developed in major studios in particular by benefitting from potential synergies with the other media assets of the Vivendi group (StudioCanal, Gameloft, UMG, Canal +).

Development and performance

The directors consider that the key financial performance indicators (KPIs) are those that communicate the financial performance and strength of the company to the shareholders. These KPIs comprise turnover, operating profit, cash flows and shareholders' funds.

The directors are reporting a net loss in their financial performance in the year ended 31 December 2022. Turnover for the year ended 31 December 2022 is £2,588,703 compared to £2,143,387 (restated) for the year ended 31 December 2021. The income arises from the receipts on the exploitation rights of all brands we represent, especially the Paddington Bear brand. Operating loss for the year ended 31 December 2022 is £823,349 compared to a loss of £962,030 (restated) for the year ended 31 December 2021. Cash and cash equivalents have increased to £571,861 at 31 December 2022 (31 December 2021: £500,124). As at 31 December 2022 £1,336 was held by Vivendi as part of their cash pooling system (31 December 2021: £170,593). Shareholders' deficit have increased to £3,803,776 (31 December 2021: £3,137,678 (restated)). This is due to the loss reported in the year ended 31 December 2022.

Future Developments

The focus is to continuously help develop the brands, in particular Paddington and Greenwich Polo Club. The directors look forward with confidence and enthusiasm to the challenges and opportunities which lie ahead. We are also keen to explore licensing of new properties when opportunities occur.

Directors

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

S J Gillham (Resigned 1 December 2022)
S Kopaczynski (Resigned 1 December 2022)
N F Durbridge
A Marsh
H Baviere (Resigned 1 December 2022)
S Davies (Resigned 1 December 2022)
CA Haines (Resigned 1 December 2022)
R Halpern (Appointed 1 December 2022)
A Hamilton (Appointed 1 December 2022)
E Leclabart (Appointed 1 December 2022)
K Needham (Appointed 1 December 2022)
M Sheehan (Appointed 1 December 2022)
H Spearing (Appointed 1 December 2022)

Results and dividends

The results for the year are set out on page 9.

No ordinary dividends were announced nor paid during current or prior year.

Auditor

Ernst & Young LLP were re-appointed as auditor to the company in accordance with section 487 of the Companies Act 2006.

THE COPYRIGHTS GROUP LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

Statement of disclosure to auditor

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

Going Concern

The directors consider that the company will continue to operate in a way that will ensure that it is able to meet its debts as they fall due for a period until 31st December 2024. In addition, the parent company, Vivendi SE, have indicated within a letter of support that they will continue to support the company based on the cash position of the ultimate parent company, Vivendi. In assessing the ultimate parent's ability to provide such support, the directors of the company have engaged in regular discussions with the parent and reviewed the ultimate parent company's going concern assessment as well as related budgets and forecasts. On this basis, the directors consider it appropriate to continue preparing the accounts on the going concern basis.

Small company exemption

In preparing this Directors' report, the directors have taken advantage of the small companies' exemption under section 415A of the Companies Act 2006 for reduced disclosures. The directors have also taken exemption under section 414B not to prepare a Strategic Report.

On behalf of the board



K Needham
Director

08/09/2023

THE COPYRIGHTS GROUP LIMITED

DIRECTORS' RESPONSIBILITY STATEMENT TO THE MEMBERS OF THE COPYRIGHTS GROUP LIMITED

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable United Kingdom 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 FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102"). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements the directors are required to:

- select suitable accounting policies in accordance with FRS 102, and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in FRS 102 is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the group and company financial position and financial performance;
- in respect of the financial statements, state whether applicable UK Accounting Standards, including FRS 102, 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.

Under applicable law and regulations, the directors are also responsible for preparing directors' report that comply with that law and those regulations. The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website.

THE COPYRIGHTS GROUP LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE COPYRIGHTS GROUP LIMITED

Opinion

We have audited the financial statements of The Copyrights Group Limited (the 'company') for the year ended 31 December 2022 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of changes in equity and the related notes 1 to 19, 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2022 and of its loss 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 the provisions available for small entities, in the circumstances set out in notes to the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period up to 31st December 2024.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

THE COPYRIGHTS GROUP LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED) TO THE MEMBERS OF THE COPYRIGHTS GROUP LIMITED

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit
- the directors were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

THE COPYRIGHTS GROUP LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED) TO THE MEMBERS OF THE COPYRIGHTS GROUP LIMITED

Responsibilities of directors

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

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 irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting framework (FRS 102 and the Companies Act 2006) and the relevant direct and indirect tax compliance regulation in the United Kingdom. In addition, the Company has to comply with laws and regulations relating to its operations, including health and safety and GDPR.
- We understood how the company is complying with those frameworks by making enquiries of management to understand how the Company maintains and communicates its policies and procedures in these areas and corroborated this by reviewing supporting documentation. We also reviewed correspondence with relevant authorities.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by considering the risk of management override and by assuming revenue recognition to be a fraud risk. We focussed on the risk of cut-off and appropriate revenue recognition in line with the accounting framework. We also tested specific transactions back to source documentation, ensuring appropriate authorisation of the transactions.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved inquiries of management and those responsible for legal and compliance matters, as well as focused testing of journal entries identified by specific risk criteria and reviewing board minutes.

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

THE COPYRIGHTS GROUP LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED) TO THE MEMBERS OF THE COPYRIGHTS GROUP LIMITED

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.

Ernst & Young LLP

Louise Pennell (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London
11/09/2023

THE COPYRIGHTS GROUP LIMITED

INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	Year ended 1 Jan 2022 - 31 Dec 2022 £	Year ended 1 Jan 2021 - 31 Dec 2021 £ Restated
Turnover	3	2,588,703	2,143,387
Cost of sales		(1,950,610)	(1,765,645)
Gross profit		638,093	377,742
Administrative expenses		(1,461,443)	(1,339,772)
Operating loss	4	(823,350)	(962,030)
Interest receivable and similar income	7	1,198	5,854
Loss before taxation		(822,152)	(956,176)
Taxation on loss	8	155,249	141,653
Loss for the financial year		(666,903)	(814,523)

The Income Statement has been prepared on the basis that all operations are continuing operations.
The notes on pages 12 to 23 form part of the financial statements

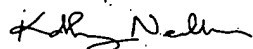
There is no difference between the profit for the year and total comprehensive income for the year,
and accordingly no separate statement of comprehensive income has been presented

THE COPYRIGHTS GROUP LIMITED

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

		Year ended 31 Dec 2022		Year ended 31 Dec 2021 Restated	
	Notes	£	£	£	£
Non-current assets					
Intangible assets	9		3,167		3,667
Tangible assets	10		15,544		11,582
			<u>18,711</u>		<u>15,249</u>
Current assets					
Debtors	11	2,722,185		2,825,896	
Cash at bank and in hand		571,861		500,124	
		<u>3,294,046</u>		<u>3,326,020</u>	
Creditors falling due within one year	12	(7,116,222)		(6,478,947)	
Net current liabilities			<u>(3,822,176)</u>		<u>(3,152,927)</u>
Deferred Tax	13		(1,116)		-
Net liabilities			<u>(3,804,581)</u>		<u>(3,137,678)</u>
Capital and reserves					
Called up share capital	15		1,131		1,131
Share premium account	16		169		169
Profit and loss reserves	17		<u>(3,805,881)</u>		<u>(3,138,978)</u>
Shareholders' deficit			<u>(3,804,581)</u>		<u>(3,137,678)</u>

The notes on pages 12 to 23 form part of the financial statements. The financial statements are prepared in accordance with the provisions applicable to companies subject to the small companies regime and were approved by the board of directors and authorised for issue on 08/09/2023 and are signed on its behalf by:



K Needham
Director

Company Registration No. 01819018

THE COPYRIGHTS GROUP LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Share capital £	Share premium account £	Profit and loss reserves £	Total £
Balance at 31 December 2020	1,131	169	(2,324,455)	(2,323,155)
Year ended 31 December 2021				
Loss and total comprehensive income for the year	-	-	(492,081)	(492,081)
Balance at 31 December 2021 (Before restatement)	1,131	169	(2,816,536)	(2,815,236)
Prior year adjustment			(322,442)	(322,442)
Balance at 31 December 2021 (As restated)	1,131	169	(3,138,978)	(3,137,678)
Year ended 31 December 2022				
Loss and total comprehensive income for the year	-	-	(666,903)	(666,903)
Balance at 31 December 2022	1,131	169	(3,805,881)	(3,804,581)

THE COPYRIGHTS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

Company information

The Copyrights Group Limited is a private company limited by shares incorporated in England and Wales. The registered office is 3 Pancras Square, 3rd Floor, London, N1C 4AG

1.1 Accounting convention

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

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

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

The company has taken advantage of the exemption available in FRS102 from disclosing related party transactions with members of the Vivendi group on the grounds that the company is a wholly owned member of the group.

The company has taken advantage from the requirements of Section 11 Basic Financial Instruments paragraphs 11.39 to 11.48A and section 12 Other financial instruments, Paragraphs 12.29(a), 12.29(b) and 12.29A

The company has taken advantage of the exemption available under FRS 102 not to prepare a statement of cash flows, as it is a wholly owned subsidiary of another undertaking, whose consolidated financial statements, in which the company is included, are publicly available.

1.2 Going concern

The directors consider that the company will continue to operate in a way that will ensure that it is able to meet its debts as they fall due for a period until 31st December 2024. In addition, the parent company, Vivendi SE, have indicated within a letter of support that they will continue to support the company based on the cash position of the ultimate parent company, Vivendi. In assessing the ultimate parent's ability to provide such support, the directors of the company have engaged in regular discussions with the parent and reviewed the ultimate parent company's going concern assessment as well as related budgets and forecasts. On this basis, the directors consider it appropriate to continue preparing the accounts on the going concern basis.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for services provided in the normal course of business and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

1.4 Intangible fixed assets other than goodwill

Intangible assets are amortised on a straight line basis over their estimated useful lives. The carrying value of intangible assets is reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable.

The useful economic lives of intangible assets have 6 years remaining and are amortised as follows:

Company Logo over 10 years

THE COPYRIGHTS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies (Continued)

1.5 Tangible fixed assets

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

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

Fixtures, fittings & equipment	20% on a straight line basis.
Computer equipment	20% on a straight line basis.

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

1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

1.7 Cash and cash equivalents

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

1.8 Short-term debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the income statement in other operating expenses.

1.9 Equity instruments

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

1.10 Taxation

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

Current tax

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

THE COPYRIGHTS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

Deferred tax

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. In assessing the recoverability of deferred tax assets, the Company relies on the same forecast assumptions used elsewhere in the financial statements and in other management reports.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

The Company offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered

1.11 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

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

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

1.12 Retirement benefits

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

1.13 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

THE COPYRIGHTS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies (Continued)

1.14 Foreign exchange

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

1.15 Correction of an error –Income statement

Cost of sales for the year ended 31 December 2021 were understated by £349,232 due to under accrual of client payaways / client's share of royalties, recoverable expenses as well as participation shares of parties who are entitled to a percentage share of income earned on the Paddington Brand. This resulted in corresponding misstatement in tax, intercompany and accrual closing balances.

The error has been corrected by restating each of the affected financial statement line items for the prior periods, as follows:

31-December-2021	Before adjustment	After adjustment	Impact
Creditors			
Accruals	(875,562)	(1,025,824)	(150,262)
Intercompany account	(5,112,804)	(5,274,233)	(161,429)
Creditors	(79,061)	(116,602)	(37,541)
Total liabilities	(6,067,427)	(6,416,659)	(349,232)
Debtors			
Corporate tax	280,691	307,481	26,790
Total assets	280,691	307,481	26,790
Net Impact on equity			(322,442)
Income statement Impact			
Cost of sales			(349,232)
Tax on profit		66,354	
Less unrecognised DTA		(39,564)	26,790
Net impact on profit			(322,442)

THE COPYRIGHTS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods. There are currently no key sources of estimation uncertainty or judgement.

3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	Year ended 31 Dec 2022 £	Year ended 31 Dec 2021 £
Turnover analysed by class of business		
Royalties	2,588,703	2,143,387

	Year ended 31 Dec 2022 £	Year ended 31 Dec 2021 £
Turnover analysed by geographical market		
United Kingdom	1,334,347	995,070
Rest of Europe	206,013	26,799
North America	292,932	530,039
Asia	621,198	455,818
Other	134,212	135,661
	2,588,703	2,143,387

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

4 Operating loss

	Year ended 31 Dec 2022	Year ended 31 Dec 2021
	£	£
Operating loss for the year is stated after charging/(crediting):		
Exchange (gains)/losses	40,637	4,496
Depreciation of owned tangible fixed assets	6,699	5,267
Amortisation of owned intangible assets	500	500
Operating lease charges	122,697	124,915

5 Auditor's remuneration

	Year ended 31 Dec 2022	Year ended 31 Dec 2021
	£	£
For audit services		
Audit of the financial statements of the company	13,000	13,000

6 Employees

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

	Year ended 31 Dec 2022	Year ended 31 Dec 2021
	Number	Number
Employees	13	14

Their aggregate remuneration comprised:

	Year ended 31 Dec 2022	Year ended 31 Dec 2021
	£	£
Salaries including benefits	628,664	637,982
Social security costs	78,697	69,663
Pension costs	52,629	73,532
	759,990	781,177

Included in the total wages is amount payable to directors of £48,000 (year ended 31 Dec 2021: £48,000)

Remuneration of the other directors was borne by other Vivendi group companies and a recharge of £160,992 was made to the company (year ended 31 Dec 2021: £164,645).

THE COPYRIGHTS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

7 Interest receivable and similar income

	Year ended 31 Dec 2022	Year ended 31 Dec 2021
	£	£
Interest income		
Interest on bank deposits	1,198	5,845

8 Taxation

	Year ended 31 Dec 2022	Year ended 31 Dec 2021 Restated
	£	£
Group relief receivable for losses surrendered	(156,365)	(141,653)
Deferred tax	1,116	
	(155,249)	(114,653)

The company has total unutilised tax losses of £2,756,819 (year ended 31 Dec 2021: £2,756,819) available for carry forward against future trading profits. No deferred tax asset has been provided due to the uncertainty of future profitability. DTA will be measured at 25% going forward due to upcoming changes in the tax rate.

Factors affecting the total tax charge for the year

	Year ended 31 Dec 2022	Year ended 31 Dec 2021 Restated
	£	£
Loss before taxation	(822,152)	(956,176)
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19% (year ended 31 Dec 2021: 19%)	(156,209)	(181,673)
Expenses not deductible for tax purposes	693	95
Depreciation on assets not qualifying for tax allowances		361
Deferred Tax not recognised		39,564
Prior Year Adjustment	367	
Taxation charge for the year	(155,249)	(141,653)

The tax assessed on the loss on ordinary activities for the period differs from the standard rate of tax in the UK of 19% (year ended 31 Dec 2021: 19%).

Factors that may affect future tax charges

Changes to the UK corporation tax rates were substantively enacted as part of the Finance Bill 2021 (on 24 May 2021).

THE COPYRIGHTS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

9 Intangible fixed assets

	Intangible Company Logo £
Cost	
At 31 December 2021	5,000
Additions	-
At 31 December 2022	<u>5,000</u>
Depreciation and impairment	
At 31 December 2021	1,333
Charge for the year	500
At 31 December 2022	<u>1,833</u>
Carrying amount	
At 31 December 2021	<u>3,667</u>
At 31 December 2022	<u>3,167</u>

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

10 Tangible fixed assets

	Fixtures, fittings & equipment £	Computer equipment £	Total £
Cost			
At 31 December 2021	4,380	32,475	36,855
Additions	-	10,661	10,661
At 31 December 2022	<u>4,380</u>	<u>43,136</u>	<u>47,516</u>
Depreciation and impairment			
At 31 December 2021	4,380	20,893	25,273
Charge for the year	-	6,699	6,699
At 31 December 2022	<u>4,380</u>	<u>27,592</u>	<u>31,972</u>
Carrying amount			
At 31 December 2021	-	11,582	11,582
At 31 December 2022	<u>-</u>	<u>15,544</u>	<u>15,544</u>

11 Debtors

	Year ended 31 Dec 2022 £	Year ended 31 Dec 2021 Restated £
Trade debtors	607,228	449,192
Amounts owed by group undertakings	751,846	1,091,647
Cash held by parent company	1,336	170,593
Other debtors	338,761	414,956
Other taxation and social security	59,307	-
Corporation tax surrendered for group relief	463,847	307,481
Prepayments and accrued income	<u>499,860</u>	<u>392,027</u>
	<u>2,722,185</u>	<u>2,825,896</u>

Included within debtors is an amount of £751,846 (year ended 31 Dec 2021: £1,091,647) due from Marketreach Licensing Services Limited, a fellow group company. All loan amounts are interest and security free.

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

12 Creditors: amounts falling due within one year

	Year ended 31 Dec 2022	Year ended 31 Dec 2021 Restated
	£	£
Trade creditors	330,943	116,602
Amounts due to group undertakings	5,496,390	5,274,233
Other taxation and social security	0	59,718
Other creditors	2,287	2,570
Accruals and deferred income	1,286,602	1,025,824
	<u>7,116,222</u>	<u>6,478,947</u>

Amounts of £3,985,178 (year ended 31 Dec 2021: £3,317,402) was due to RBSA 2016 Limited and, £1,511,212 (year ended 31 Dec 2021: £1,956,831) was due to Paddington and Company Limited, fellow group companies. All loan amounts are interest, security free and payable on demand.

13 Deferred taxation

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

	Liabilities Year ended 31 Dec 2022	Liabilities Year ended 31 Dec 2021
	£	£
Balances:		
Deferred tax liabilities	<u>1,116</u>	<u>-</u>
Movements in the year:		
	£	£
Liability at 31 December 2021	-	-
Charge to profit or loss	1,116	-
Liability at 31 December 2022	<u>1,116</u>	<u>-</u>

14 Retirement benefit schemes

	Year ended 31 Dec 2022	Year ended 31 Dec 2021
	£	£
Defined contribution schemes		
Charge in respect of defined contribution schemes	<u>52,629</u>	<u>73,532</u>

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

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

15	Share Capital	Year ended 31 Dec 2022	Year ended 31 Dec 2021
		£	£
	Ordinary share capital Issued and fully paid		
	1,131 Ordinary Shares of £1 each	<u>1,131</u>	<u>1,131</u>
16	Share premium account	Year ended 31 Dec 2022	Year ended 31 Dec 2021
		£	£
	At beginning and end of year	<u>169</u>	<u>169</u>
17	Profit and Loss reserves	Year ended 31 Dec 2022	Year ended 31 Dec 2021 Restated
		£	£
	At the beginning of the year	(3,138,978)	(2,324,455)
	Loss for the year	<u>(666,903)</u>	<u>(814,523)</u>
	At the end of the year	<u>(3,805,681)</u>	<u>(3,138,978)</u>

18 Operating lease commitments

Lessee

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

	Year ended 31 Dec 2022	Year ended 31 Dec 2021
	£	£
Within one year	145,680	124,450
Between one and five years	619,140	164,300
Over five years	-	-
	<u>764,820</u>	<u>288,750</u>

19 Controlling party

At the balance sheet date the company's immediate parent undertaking is Vivendi Village SAS, a company registered in France. The ultimate parent company and controlling party is Vivendi SE, a company registered in France. The registered office is 59B Avenue Hoche, 75008, Paris, cedex 08, France. The company's principal place of business is 42 Avenue de Friedland, 75380, Paris, cedex 08, France. A copy of the group accounts can be obtained from: <https://www.vivendi.com/en/publication/financial-report-and-audited-consolidated-financial-statements-for-the-year-ended-december-31-2022>