

COMPANY REGISTRATION NUMBER 02217099

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



CONCESSIONS MANAGEMENT INTERNATIONAL LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2019

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CONCESSIONS MANAGEMENT INTERNATIONAL LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

THE BOARD OF DIRECTORS

BJ Muir
SL Carmel
P Jassal

COMPANY SECRETARY

A Abioye

REGISTERED OFFICE

4 Pancras Square
London
N1C 4AG

AUDITOR

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

BANK

HSBC Bank PLC
City of London Branch
60 Queen Victoria Street
London
EC4N 4TR

CONCESSIONS MANAGEMENT INTERNATIONAL 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 operating concessions at music, leisure and exhibition venues.

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 on pages 9, 10 and 11 respectively. The result and position of the company were in line with directors' expectations.

RESULTS AND DIVIDENDS

The company's loss for the financial year was £78k (2018 - profit £175k). The retained loss 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 decreased by 4% compared to the prior year, due mainly to fewer outdoor shows. While the turnover for 2020 will be affected by the Covid-19 restrictions, as explained within 'Principal Risks and Uncertainties', the outlook for future years appears positive based on retention of current indoor venue concessions, as well as the expectation that the company will continue to secure concession rights for outdoor shows and festivals, although the levels will vary year to year.

Gross profit margin

The company's gross profit margin decreased from 9.9% to 2.1%. This was due in part to the mix of activity during the year, with outdoor shows representing a reduced percentage of sales compared to 2018, and in part due to management determining it was prudent to write off certain balance sheet items during the year.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The company uses a variety of financial instruments including cash and trade payables that arise directly from its operations.

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

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. Cash flow forecasts are monitored by management on a regular basis.

CONCESSIONS MANAGEMENT INTERNATIONAL LIMITED

STRATEGIC REPORT (continued)

YEAR ENDED 31 DECEMBER 2018

PRINCIPAL RISKS AND UNCERTAINTIES

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

- Competition from other concessionaires.
- Covid-19 has affected the business in the short term as concerts have been cancelled. The expectation is that once restrictions are eased live events will bounce back very strongly. Depending on when restrictions are eased concession income for 2020 could be 30% to 60% down on initial expectations, but the financial effect is mitigated by the fact that the majority of costs are variable. In addition, the company has a low cost base and is therefore able to adapt well to reduced levels of activity. Finally, the company has the support of the group treasury function for day to day activities. Therefore, the directors believe it is appropriate to prepare these financial statements on a going concern basis, as mentioned in the directors' report.

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

Paramjit Jassal

P Jassal
Director

Date: 21/5/2020

CONCESSIONS MANAGEMENT INTERNATIONAL 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.

They have included the following matters within 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; and
- Future developments.

DIRECTORS

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

BJ Muir
SL Carmel
P Jassal

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.

DONATIONS

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

GOING CONCERN

In considering the going concern assumption, the Directors have reached their conclusion based on future trading forecasts as well as the support of the group treasury function through daily transactions. As outlined in the strategic report, this includes an assessment of the uncertainties created by Covid-19.

CONCESSIONS MANAGEMENT INTERNATIONAL LIMITED

DIRECTORS' REPORT (continued)

YEAR ENDED 31 DECEMBER 2019

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.

AUDITOR

The director's 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 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: 21/5/2020

Company Registration Number: 02217099

CONCESSIONS MANAGEMENT INTERNATIONAL LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS OF CONCESSIONS
MANAGEMENT INTERNATIONAL LIMITED
YEAR ENDED 31 DECEMBER 2019

Opinion

We have audited the financial statements of Concessions Management International Limited (the 'company') for the period from 1 January 2019 to 31 December 2019, which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity and notes to the financial statements, including 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 loss for the period 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 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.

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.

CONCESSIONS MANAGEMENT INTERNATIONAL LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS OF CONCESSIONS
MANAGEMENT INTERNATIONAL LIMITED (continued)
YEAR ENDED 31 DECEMBER 2019

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.

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 5, the directors are responsible for preparation of the financial statements which 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.

**CONCESSIONS MANAGEMENT INTERNATIONAL LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS OF CONCESSIONS
MANAGEMENT INTERNATIONAL LIMITED (continued)**

YEAR ENDED 31 DECEMBER 2019

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 directors, as a body, in accordance with our letter of engagement dated 19th December 2019. Our audit work has been undertaken so that we might state to the company's directors 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 directors as a body, for our audit work, for this report, or for the opinions we have formed.

Grant Thornton

Nicholas Page
Senior Statutory Auditor
For and behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London

Date: 21/5/2020

Company Registration Number: 02217099

CONCESSIONS MANAGEMENT INTERNATIONAL LIMITED
STATEMENT OF COMPREHENSIVE INCOME
YEAR ENDED 31 DECEMBER 2019

	Note	2019 £	2018 £
TURNOVER	4	3,988,194	4,171,501
Cost of sales		<u>(3,902,862)</u>	<u>(3,759,535)</u>
GROSS PROFIT		85,332	411,966
Administrative expenses		<u>(221,594)</u>	<u>(223,998)</u>
OPERATING (LOSS)/PROFIT	5	(136,262)	187,968
Interest receivable and similar income	7	41,933	29,631
Interest payable and similar charges		<u>(178)</u>	<u>-</u>
(LOSS)/PROFIT BEFORE TAXATION		(94,507)	217,599
Tax on (loss)/profit	8	16,063	(42,351)
(LOSS)/PROFIT FOR THE FINANCIAL YEAR		<u>(78,444)</u>	<u>175,248</u>

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

The notes on pages 12 to 23 form part of these financial statements

CONCESSIONS MANAGEMENT INTERNATIONAL LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

	Note	2019 £	2018 £
FIXED ASSETS			
Property, plant & equipment		8,770	-
		<u>8,770</u>	<u>-</u>
CURRENT ASSETS			
Debtors: Amounts falling due within one year	9	3,624,108	3,365,806
Cash at bank		-	61,760
		<u>3,624,108</u>	<u>3,427,566</u>
CREDITORS: Amounts falling due within one year	10	(3,119,965)	(2,836,209)
NET CURRENT ASSETS		<u>504,143</u>	<u>591,357</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>512,913</u>	<u>591,357</u>
NET ASSETS		<u>512,913</u>	<u>591,357</u>
CAPITAL AND RESERVES			
Called-up equity share capital	16	1	1
Profit and loss account		512,912	591,356
EQUITY SHAREHOLDERS' FUNDS		<u>512,913</u>	<u>591,357</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:

P Jassal
Director

Paramjit Jassal

The notes on pages 12 to 23 form part of these financial statements

CONCESSIONS MANAGEMENT INTERNATIONAL LIMITED**STATEMENT OF CHANGES IN EQUITY****YEAR ENDED 31 DECEMBER 2019**

	Share Capital	Profit & Loss Account	Total Shareholders' Funds
	£	£	£
Balance brought forward at 1 January 2018	1	416,108	416,109
Total comprehensive income for the period			
Profit for the year	-	175,248	175,248
	<u>1</u>	<u>591,356</u>	<u>591,357</u>
Balance brought forward at 1 January 2019	1	591,356	591,357
Total comprehensive income for the period			
Loss for the year	-	(78,444)	(78,444)
	<u>1</u>	<u>512,912</u>	<u>512,913</u>
Balance carried forward at 31 December 2019	1	512,912	512,913

The notes on pages 12 to 23 form part of these financial statements

CONCESSIONS MANAGEMENT INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2019

1. GENERAL INFORMATION

Concessions Management International 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 page 2.

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, except that the following assets and liabilities are stated at their fair value; derivative financial instruments, financial instruments classified at fair value through the profit and loss, biological assets, investment property, tangible fixed assets and intangible assets measured in accordance with the revaluation model and investments in associates and joint ventures measured at fair value.

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
- from certain share based payment disclosures required by FRS 102.26 *Share-based Payment*.

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

CONCESSIONS MANAGEMENT INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31 DECEMBER 2019

3. ACCOUNTING POLICIES (continued)

Other qualifying exemptions

As the ultimate parent undertaking prepares publicly available consolidated financial statements 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

The financial statements have been prepared on the going concern basis based on future trading forecasts as well as the support of the group treasury function through daily transactions. The directors have considered the impact of Covid-19 on forecasts, the expectation is that once restrictions are eased live events will bounce back very strongly. Depending on when restrictions are eased concession income for 2020 could be 30% to 60% down on initial expectations, but the financial effect is mitigated by the fact that the majority of costs are variable. In addition, the company has a low cost base and is therefore able to adapt well to reduced levels of activity. The impact of Covid-19 has impacted the business in the short term however strategies to mitigate exposure have been enacted swiftly in order to ensure the company will remain as a going concern.

Turnover

Turnover represents the invoiced value of goods and services supplied by the company net of value added tax. Revenue is recognised to the extent that it is probable that the economic benefit will flow to the company and the revenue can be reliably measured.

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.

Debt instruments which meet the following conditions of being 'basic' financial instruments as defined in paragraph 11.9 of FRS 102 are subsequently measured at amortised cost using the effective interest method.

Debt instruments that have no stated interest rate (and do not constitute financing transaction) and are classified as payable or receivable within one year are initially measured at an undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

Other debt instruments not meeting conditions of being 'basic' financial instruments are measured at fair value through profit or loss.

CONCESSIONS MANAGEMENT INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31 DECEMBER 2018

3. ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets and liabilities (continued)

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

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

Debt instruments which meet the following conditions of being 'basic' financial instruments as defined in paragraph 11.9 of FRS 102 are subsequently measured at amortised cost using the effective interest method.

Debt instruments that have no stated interest rate (and do not constitute financing transaction) and are classified as payable or receivable within one year are initially measured at an undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

Other debt instruments not meeting conditions of being 'basic' financial instruments are measured at fair value through profit or loss.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

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

Equity instruments

Equity instruments issued by the company are recorded at the fair value of cash or other resources received or receivable, net of direct issue costs.

Fair value measurement

The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using a valuation technique.

Investments

Investments in non-convertible preference shares and non-puttable ordinary or preference shares, where shares are publicly traded or their fair value is reliably measurable, are measured at fair value through profit or loss. Where fair value cannot be measured reliably, investments are measured at cost less impairment.

CONCESSIONS MANAGEMENT INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31 DECEMBER 2018

3. ACCOUNTING POLICIES (continued)

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.

Non-financial assets

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Where indicators exist for a decrease in impairment loss previously recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired 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.

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.

CONCESSIONS MANAGEMENT INTERNATIONAL 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.

Interest income and interest payable are recognised in profit or loss as they accrue. Foreign currency gains and losses are reported on a net basis.

Dividend income

Dividend income is recognised in the statement of comprehensive income on the date the company's right to receive payments is established.

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.

CONCESSIONS MANAGEMENT INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31 DECEMBER 2019

3. ACCOUNTING POLICIES (continued)

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.

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.

Critical judgements in applying the Group's accounting policies

The directors have concluded there are no critical judgements to disclose.

Key source of estimation uncertainty

The directors have concluded there are no key sources of estimation uncertainty to disclose.

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

4. TURNOVER

Turnover by activity is as follows:

	2019 £	2018 £
Concession Income	3,988,194	4,171,501
	<u>3,988,194</u>	<u>4,171,501</u>

Turnover by source is exclusively derived in the United Kingdom.

5. OPERATING LOSS

Operating loss is stated after charging/(crediting):

	2019 £	2018 £
Depreciation of assets held under finance lease agreements	3,761	-
Auditor's remuneration	13,700	13,375
Operating lease costs:		
- Land and buildings	20,771	17,909
Net (gain)/loss on foreign currency translation	<u>(2,507)</u>	<u>1</u>

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

6. PARTICULARS OF EMPLOYEES

The company had no employees during the year ended 31 December 2019 (2018: nil).

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 (2018: 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.

7. INTEREST RECEIVABLE AND SIMILAR INCOME

	2019 £	2018 £
Interest receivable from group undertakings	41,933	29,631
	<u>41,933</u>	<u>29,631</u>

8. TAX ON LOSS

(a) Analysis of tax credit in the year

	2019 £	2018 £
Current tax:		
UK Taxation		
In respect of the year		
UK Corporation tax based on the results for the year at 19.00% (2018 - 19.00%)	-	-
Group relief payable/(receivable) for losses claimed from/surrendered to other group undertakings	(18,276)	39,652
Total current tax	<u>(18,276)</u>	<u>39,652</u>
Deferred tax:		
Capital allowances	2,213	2,699
Total deferred tax	<u>2,213</u>	<u>2,699</u>
Tax on (loss)/profit	<u>(16,063)</u>	<u>42,351</u>

CONCESSIONS MANAGEMENT INTERNATIONAL LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)****YEAR ENDED 31 DECEMBER 2019****8. TAX ON LOSS (continued)****(b) Factors affecting current tax credit**

The tax assessed on the profit for the year is the same as the standard rate of corporation tax in the UK of 19.00% (2018 - 19.00%).

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%.

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 £
(Loss)/Profit before taxation	(94,507)	217,599
(Loss)/Profit at the standard rate of UK Corporation tax of 19.00% (2018 - 19.00%)	(17,956)	41,344
Expenses not deductible for tax purposes	2,154	1,325
Impact of statutory rate change	(261)	(318)
Current tax charge for the financial year	(16,063)	42,351

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

9. DEBTORS: Amounts due within one year

	2019 £	2018 £
Trade debtors	136,763	243,486
Amounts owed by group undertakings	3,358,520	2,998,013
Other debtors	67,017	49,117
Prepayments and accrued income	51,724	62,893
Deferred taxation (note 11)	10,084	12,297
	<u>3,624,108</u>	<u>3,365,806</u>

All interest-bearing loans and borrowings are initially recognised at net proceeds. Interest bearing debt is increased by the finance cost in respect of the reporting period by any settlement made. Interest is charged and earned on a fixed element of the debt at an arms length rate.

All other amounts owed by UK group undertakings are unsecured and repayable on demand. Interest accrues on these amounts at 1 month LIBOR plus 1%.

10. CREDITORS: Amounts falling due within one year

	2019 £	2018 £
Bank overdrafts	93,596	-
Trade creditors	449,565	204,629
Amounts owed to group undertakings	2,184,711	1,697,417
VAT	52,868	318,631
Other creditors	48,872	66,591
Accruals and deferred income	290,354	548,941
	<u>3,119,965</u>	<u>2,836,209</u>

All interest-bearing loans and borrowings are initially recognised at net proceeds. Interest bearing debt is increased by the finance cost in respect of the reporting period by any settlement made. Interest is charged and earned on a fixed element of the debt at an arms length rate.

All other amounts owed to group undertakings are due to UK group undertakings, are unsecured and repayable on demand. Interest accrues on these amounts at 1 month LIBOR plus 1%.

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

11. DEFERRED TAXATION

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

	2019 £	2018 £
Balance brought forward	12,297	14,996
Deferred taxation on ordinary activities account movement arising during the year	(2,213)	(2,699)
Provision carried forward	<u>10,084</u>	<u>12,297</u>

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

	2019 £	2018 £
Excess of depreciation over taxation allowances	10,084	12,297
	<u>10,084</u>	<u>12,297</u>

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

	2019 £	2018 £
Included in debtors (note 9)	<u>10,084</u>	<u>12,297</u>

12. POST BALANCE SHEET EVENT

No post balance sheet events have been identified by management. Covid-19 is a non-adjusting post balance sheet event. Refer to narrative included in Strategic Report, Directors' Report, and Basis of Preparation Note 3.

13. CAPITAL COMMITMENTS

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

14. CONTINGENT LIABILITIES

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

CONCESSIONS MANAGEMENT INTERNATIONAL LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)****YEAR ENDED 31 DECEMBER 2019****15. 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.

16. SHARE CAPITAL**Authorised:**

	2019		2018	
	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:

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

17. ULTIMATE PARENT COMPANY

The immediate parent undertaking is Bravado International 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