

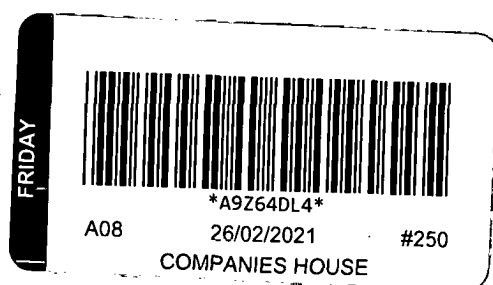
Tripleplay Services Holdings Limited

Report and Financial Statements

Year Ended

31 December 2019

Company Number 04338092



Tripleplay Services Holdings Limited

Report and financial statements
for the year ended 31 December 2019

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Directors

P Druce
J J Hiscox
S M Rickless
P Shabecoff
A Wilkins

Registered office

11 Staple Inn, London, WC1V 7QH

Company number

04338092

Auditors

BDO LLP, Floor 12, Thames Tower, Station Road, Reading, RG1 1JX

Tripleplay Services Holdings Limited

Strategic report for the year ended 31 December 2019

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

The company is a market leading development company specialising in the provision of IP Video Software solutions for the provision of television, video and electronic bill boards within its target market. The primary sectors the company operates in are global banking, hospitality, healthcare, education and sports.

REVIEW OF BUSINESS

	2019	2018	2017
	£	£	£
Turnover	15,594,046	12,572,872	8,361,561
Gross Profit	9,333,579	7,141,633	4,919,705
Net Profit	797,663	1,303,515	574,937

The directors are pleased to report a 24% year on year increase in turnover. With each year showing growth on the previous.

£3.3 million of the turnover in 2019 related to support revenue. These support contracts represent recurring revenue year on year and offers opportunities for revenue in future years. The churn rate of these support contracts was 20.09% in 2019.

It has been a key strategy for the business to identify opportunities that can grow recurring revenue in areas other than support contracts. As a result the business has been concentrating on developing new Software as a Service (SaaS) solutions.

Tripleplay's Enterprise Video Platform ("EVP") is a cloud based SaaS solution providing Digital signage and video streaming to a range of end points including digital signage players, Smart TVs, mobile phones and desktops. Customers take out a 1, 3 or 5 year service contract which includes the rights to use the platform and get support. This product has launched in 2020.

The Tripleplay group was acquired in September 2019 by USA based company U.S. Hospitality Publishers, Inc. which has strengthened our global presence and market share. Due to the complementary product offerings of the companies within the Unigest group it has increased our customer base and ability to cross sell.

Throughout 2019 there were many costs associated with the acquisition and integration, which resulted in net profit for 2019 falling below that achieved in 2018. These additional costs were calculated at £635,000. These costs included legal and consultancy advice, increased travel and loyalty bonus payments to employees.

Principle risks and uncertainties

Liquidity Risk

The company has no external loans or borrowing facilities. Cash balances are managed to ensure the company has sufficient available funds for ongoing operations.

Tripleplay Services Holdings Limited

Strategic report
for the year ended 31 December 2019 (continued)

Credit Risk

The company has implemented procedures that require appropriate credit checks on potential customers before sales commence, with high risk customers required to pay in advance.

Foreign Exchange Risks

The proportion of cash, receipts and payments in major currencies can vary significantly and can be exposed to the volatility of the currency markets. The company mitigates these risks with multi-currency bank accounts and prices lists. The impact on key customers and suppliers that are affected by foreign exchange rates are continually reviewed.

Brexit

Following the conclusion of the Trade and Cooperation Agreement with the European Union, the group is reviewing the impact on its operations. The group has an established subsidiary based in Spain so has the ability to adapt our operations, should the need arise.

COVID-19 virus

The impact of Covid 19 has been felt globally and has impacted the group 2020 revenue. Our forecasts indicate that the group will be 15% short of budget. The current revenue forecast is £15,589,445 so we are expecting to see a similar revenue performance as 2019. However the company successfully implemented cost saving measures in travel, marketing and salaries to ensure 2020 EBITDA targets will be met. These savings reduced overheads by 30% against budget therefore net profit will be higher than 2019. As a result the company has so far had a successful 2020 and has seen a steady increase in its cash position throughout 2020.

The company has also responded to the global issues arising from Covid 19 by developing and releasing a new #staysafe social media campaign and occupancy management systems. These new products assist our customers with staying up to date with the ever changing rules and requirements.

Financial key performance indicators

The key financial performance indicators utilised by the company in monitoring performance are the turnover levels, gross profit achieved and liquidity ratio. These are reviewed in detail by the directors each month and at present the Board are satisfied with the performance in respect of these indicators.

Approval

This Strategic Report was approved on behalf of the Board on



S M Rickless

Director

Date: 22/02/2021

Tripleplay Services Holdings Limited

Directors' report for the year ended 31 December 2019

The directors present their report together with the audited financial statements for the year ended 31 December 2019.

Principal activity

The group's principal activity during the period was the provision of IP Video Software Solutions for the provision of television, video and electronic bill boards within its target market sectors. Its primary market sectors include education, hospitality, corporate, healthcare and sports.

Directors

The directors of the company during the year were:

S M Rickless (resigned 17 September 2019, re-appointed 17 September 2019)
G Ogilvie (resigned 17 September 2019)
P N Martin (resigned 17 September 2019)
P S Harris (resigned 17 September 2019)
C Huget-Amoroso (resigned 17 September 2019)
A Wilkins (appointed 17 September 2019)
P Shabecoff (appointed 17 September 2019)
J J Hiscox (appointed 17 September 2019)
P Druce (appointed 17 September 2019)

Future developments

The directors do not anticipate any future developments or changes to the principal activities of the Group.

Disclosure of information to auditors

All of the directors as at the date of this report have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the company's auditor is unaware.

Post balance sheet events

On 11 March 2020, the World Health Organization declared the Coronavirus Disease 2019 ("COVID-19") a pandemic. COVID-19 has had a significant impact on the economy in which the Group operates. The Group's business model has proven strategically important in the current COVID-19 crisis. The Group is expecting a decline in revenue for 2020 however due to cost savings implemented, net profit is expected to be higher than 2019.

Following the conclusion of the Trade and Cooperation Agreement with the European Union, the group is reviewing the impact on its operations. The Tripleplay group already has an established subsidiary based in Spain and therefore has the ability to adapt operations as required. As far as it is possible to ascertain issues arising after 1 January 2021, the Group believe there will be minimal impact on its business and none on its onward supply to its customers.

Tripleplay Services Holdings Limited

Directors' report
for the year ended 31 December 2019

Auditors

Wilder Coe Ltd resigned as auditors of the company during the year and BDO LLP were appointed as auditors of the company by the directors. BDO LLP have expressed their willingness to continue in office and a resolution to re-appoint them as auditors will be proposed at the next annual general meeting.

Approval

This Directors' Report was approved by order of the Board on



S M Rickless
Director

Date: 22/02/2021

Tripleplay Services Holdings Limited

Directors' responsibilities statement

Directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the group and company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company and of the profit or loss of the group and company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;

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.

Tripleplay Services Holdings Limited

Independent auditor's report

Opinion

We have audited the financial statements of Tripleplay Services Holdings Limited ("the Parent Company") and its subsidiaries ("the Group") for the year ended 31 December 2019 which comprise The Consolidated Statement of Comprehensive Income, The Consolidated Statement of Financial Position, The Company Statement of Financial Position, The Consolidated Statement of Changes in Equity, The Company Statement of Changes in Equity, The Consolidated Statement of Cash Flows, and the 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 Group's and of the Parent Company's affairs as at 31 December 2019 and of the Group's profit for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements 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 Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

- 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 Group or Parent 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.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Directors report and financial statements, 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.

Tripleplay Services Holdings Limited

Independent auditor's report (continued)

Other information (continued)

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 Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and Directors' report have 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 Group and the Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report and 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 by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the Directors' Responsibilities Statement, 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 Group's and the Parent 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 Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

Tripleplay Services Holdings Limited

Independent auditor's report (continued)

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: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Parent 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 Parent 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 Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

BDO LLP

Gavin Crawford (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Reading, UK

Date: 23/02/2021

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Tripleplay Services Holdings Limited

Consolidated statement of comprehensive income for the year ended 31 December 2019

	Note	2019 £	2018 £
Turnover	3	15,594,046	12,572,872
Cost of sales		(6,260,467)	(5,431,239)
Gross profit		9,333,579	7,141,633
Distribution costs		(5,750,920)	(4,343,040)
Administrative expenses		(2,275,922)	(1,687,375)
Operating profit	4	1,306,737	1,111,218
Interest receivable and similar income	7	301	270
Interest payable and similar charges	8	(6,408)	(5,887)
Profit before tax		1,300,630	1,105,601
Taxation on profit	9	(502,967)	197,914
Profit after tax		797,663	1,303,515
Currency translation differences		(39,808)	-
Other comprehensive income for the year		(39,808)	-
Total comprehensive income for the year		757,855	1,303,515
Total comprehensive income attributable to:			
Owners of the parent		757,855	1,301,586
Non-controlling interests		-	1,929
		757,855	1,303,515

The notes on page 15 to 30 form part of these financial statements.

Tripleplay Services Holdings Limited

Consolidated statement of financial position at 31 December 2019

<i>Company number 04338092</i>	Note	2019 £	2019 £	2018 £	2018 £
Fixed assets					
Tangible assets	10		231,706		603,049
Intangible assets	11		126,748		-
			<u>358,454</u>		<u>603,049</u>
Current assets					
Stocks	13	726,355		651,165	
Debtors	14	7,641,237		3,260,725	
Cash and cash equivalents		1,496,278		3,595,762	
			<u>9,863,870</u>	<u>7,507,652</u>	
Creditors: amounts falling due within one year	15	(4,126,429)		(3,154,962)	
Net current assets			<u>5,737,441</u>	<u>4,352,690</u>	
Total assets less current liabilities			<u>6,095,895</u>	<u>4,955,739</u>	
Creditors: amounts falling due after more than one year	16		(456,007)		(97,124)
Deferred taxation	17		(23,418)		
			<u>5,616,470</u>	<u>4,858,615</u>	
Capital and reserves					
Share capital	18		149,900		149,900
Share premium	19		12,336		12,336
Currency translation reserve	19		(39,808)		-
Profit and loss account	19		5,494,042		4,696,379
			<u>5,616,470</u>	<u>4,858,615</u>	

The financial statements were approved by the Board of Directors and authorised for issue on



S M Rickless
Director

Date: 22/02/2021

The notes on page 15 to 30 form part of these financial statements.

Tripleplay Services Holdings Limited

Consolidated statement of changes in equity for the year ended 31 December 2019

	Ordinary shares £	Share premium £	Currency translation reserve £	Accumulated funds £	Total £	Non- controlling interest £	Total equity £
Balance as at 1 January 2018	140,000	-	-	3,343,582	3,348,582	59,382	3,542,964
Profit for the year	-	-	-	1,301,586	1,301,586	1,929	1,303,515
Purchase of non-controlling interest	-	-	-	51,211	51,211	(61,311)	(10,100)
Shares issued in the year	9,900	12,336	-	-	22,236	-	22,236
Balance as at 31 December 2018	149,900	12,336	-	4,696,379	4,858,615	-	4,858,615
Profit for the year	-	-	-	797,663	797,663	-	797,663
Currency translation movement	-	-	(39,808)	-	(39,808)	-	(39,808)
Balance as at 31 December 2019	149,900	12,336	(39,808)	5,494,042	5,616,470	-	5,616,470

The notes on pages 15 to 30 form part of these financial statements.

Tripleplay Services Holdings Limited

Consolidated statement of cash flows for the year ended 31 December 2019

	Note	2019 £	2018 £
Cash flows from operating activities			
Cash generated from operations	23	1,314,497	1,752,069
Tax paid		(239,675)	112,529
Interest paid		(6,408)	(5,887)
Net cash from operating activities		1,068,414	1,858,711
Cash flows from investing activities			
Purchase of tangible fixed assets		(160,032)	(155,944)
Purchase of intangible fixed assets		(127,783)	-
Sale of tangible fixed assets		321,777	-
Interest received		301	270
Purchase of non-controlling interest		-	(10,100)
Net cash from investing activities		34,263	(165,774)
Cash flows from financing activities			
Repayment of bank loans		(125,041)	(27,917)
Issue of share capital		-	9,900
Loans to group companies		(3,024,534)	-
Issue of share premium		-	12,336
Net cash from financing activities		(3,149,575)	(5,681)
Increase in cash and cash equivalents		(2,046,898)	1,686,986
Cash and cash equivalents at beginning of year	24	3,595,762	1,908,776
Foreign exchange gains and losses		(52,586)	-
Cash and cash equivalents at end of year	24	1,496,278	3,595,762

The notes on page 15 to 30 form part of these financial statements.

Tripleplay Services Holdings Limited

Company statement of financial position at 31 December 2019

<i>Company number 04338092</i>	Note	2019 £	2019 £	2018 £	2018 £
Fixed assets					
Tangible assets	10	-	-	-	423,044
Investments	12	-	15,338	-	15,990
			<u>15,338</u>		<u>15,990</u>
			15,338		439,034
Current assets					
Debtors	14	2,002,880	-	1,738,632	-
Cash and cash equivalents		-	-	786,320	-
		<u>2,002,880</u>		<u>2,524,952</u>	
Creditors: amounts falling due within one year	15	(2,083,268)		(2,373,807)	
Net current assets			(80,388)		151,145
Total assets less current liabilities			(65,050)		590,179
Creditors: amounts falling due after more than one year	16		-		(97,124)
			<u>(65,050)</u>		<u>493,055</u>
Capital and reserves					
Share capital	18		149,900		149,900
Share premium	19		12,336		12,336
Profit and loss account	19		(227,286)		330,819
			<u>(65,050)</u>		<u>493,055</u>

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of comprehensive income in these financial statements. The loss of the company for the year was £558,105 (2018 - £7,060).

The financial statements were approved by the Board of Directors and authorised for issue on


S M Rickless
Director

Date: 22/02/2021

The notes on page 15 to 30 form part of these financial statements.

Tripleplay Services Holdings Limited

Company statement of changes in equity for the year ended 31 December 2019

	Ordinary shares £	Share premium £	Accumulated funds £	Total £
Balance as at 1 January 2018	140,000	-	337,789	477,879
Shares issued in the year	9,900	12,336	-	22,236
Total net loss and comprehensive loss	-	-	(7,060)	(7,060)
	<hr/>	<hr/>	<hr/>	<hr/>
Balance as at 31 December 2018	149,900	12,336	330,819	493,055
Total net loss and comprehensive loss	-	-	(58,105)	(58,105)
	<hr/>	<hr/>	<hr/>	<hr/>
Balance as at 31 December 2019	149,900	12,336	(27,286)	(65,050)

The notes on page 15 to 30 form part of these financial statements.

Tripleplay Services Holdings Limited

Notes forming part of the financial statements
for the year ended 31 December 2019

1 Accounting policies

Tripleplay Services Holdings Limited is a private company limited by shares, incorporated in England & Wales under the Companies Act. The address of the registered office is given on the contents page and the nature of the group's operations and its principal activities are set out in the strategic report and directors' report. The financial statements have been prepared in accordance with FRS 102 the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies. Details of the significant judgements and estimates are provided in note 2.

All amounts presented in these financial statements are in British Pounds Sterling ("GBP") unless otherwise stated. Values are rounded to the nearest pound.

The Group and company transitioned from IFRS to FRS 102 for all periods presented. The transition from IFRS to FRS 102 has had no effect on the company's financial position and financial performance.

Parent company disclosure exemptions

In preparing the separate financial statements of the parent company, advantage has been taken of the following disclosure exemptions available to qualifying entities:

- Only one reconciliation of the number of shares outstanding at the beginning and end of the period has been presented as the reconciliations for the group and the parent company would be identical.
- No cash flow statement or net debt reconciliation has been presented for the parent company.
- No disclosure has been given for the aggregate remuneration of the key management personnel of the parent company as their remuneration is included in the totals for the group as a whole.

The following principal accounting policies have been applied:

Basis of consolidation

The financial statements include the accounts of the company and its wholly owned subsidiaries. Subsidiaries are fully consolidated from the date of incorporation or acquisition. The acquisition date is the date on which the company obtains control and the acquired company continues to be consolidated until the date that such control ceases. Control is achieved when the company is exposed or has rights to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. All intercompany transactions, balances, revenues and expenses between the company and its subsidiaries have been eliminated.

The consolidated financial statements present the results of Tripleplay Services Holdings Limited and its subsidiaries ("the Group") as if they formed a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

Going concern

In preparing the financial statements the directors have considered the ability of the group to continue as a going concern and have prepared cash flow forecasts for a period including 12 months from the date of approval of these financial statements to inform their decisions.

At the date of approval of these financial statements, the world is in the midst of the COVID-19 global pandemic with a number of countries going back into full lockdown to control the spread of the virus. The extent of the impact on the global economy is uncertain but there is an expectation of recessions in economies across the globe.

The impact of COVID-19 and any subsequent recession on the business is uncertain. Although the company has demonstrated its ability to continue to provide goods and services successfully during lockdown.

Tripleplay Services Holdings Limited

Notes forming part of the financial statements
for the year ended 31 December 2019 (continued)

1 Accounting policies (continued)

Going concern (continued)

The group's forecasts indicate that 2020 revenue will fall short of the budgeted growth planned and performance is expected to be similar to 2019.

In response to the uncertainty created by COVID-19 management has undertaken a review of all expenditure for the group and have successfully implemented cost saving measures in travel, marketing and salaries to ensure 2020 EBITA budgets are achieved. As a result of this exercise the group has managed to reduce overheads by 30%, resulting in an increase in the forecast net profit margin. A focus has also been placed on cash flow management with the group seeing a steady increase in its cash position throughout 2020.

The group has responded to global issues arising from the pandemic by developing and releasing a new #staysafe social media campaign and occupancy management systems. These new products assist our customers with staying up to date with the ever changing rules and requirements surrounding COVID-19.

On review of management's assessment and the scenario based forecasts, the Directors have concluded that there are no material uncertainties that lead to significant doubt upon the company's ability to continue in operational existence for the foreseeable future, and for at least one year from the approval date of the financial statements. Therefore the directors believe that it remains appropriate to prepare the financial statements on the going concern basis.

Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

- The group has transferred the significant risks and rewards of ownership to the buyer;
- The group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- The amount of revenue can be measured reliably;
- It is probable that the group will receive the consideration due under the transaction;
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services and contracts with customers

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- The amount of revenue can be measured reliably;
- It is probable that the group will receive the consideration due under the contract;
- The stage of completion of the contract at the end of the reporting period can be measured reliably; and
- The costs incurred and the costs to complete the contract can be measured reliably.

The group sells its hardware, software and services on a stand-alone basis or as a multiple element transaction with separately identifiable components also known as a bundled transaction. Where the group enters into an agreement involving a bundled transaction, the group records each of the separate components at their relative fair value and recognises the revenue on an appropriate basis for each of the separate components. The group determines the fair value of each of the components sold based on the selling price when they are sold separately. When the fair value cannot be determined based on when it was sold separately the group determines a value that most reasonably reflects the selling price that might be achieved in a stand-alone transaction.

Tripleplay Services Holdings Limited

Notes forming part of the financial statements
for the year ended 31 December 2019 (continued)

1 Accounting policies (continued)

Interest income

Interest income is recognised in the consolidated statement of comprehensive income using the effective interest method.

Tangible fixed assets

Tangible fixed assets are recorded at cost and depreciated on the basis and at the rates set out below. Depreciation is not charged on freehold land. It is expected that these policies will charge operations with the total cost of the assets less estimated salvage value over the useful life of the assets. The group claims depreciation on a monthly basis commencing with the month that the asset is put into operation.

Fixtures and fittings	=	25% straight-line
Computer equipment	=	33% straight-line

The group reviews all long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable the group will estimate the future cash flows from the use of the assets and their eventual disposition and record an impairment loss if required.

There has been no provision for depreciation for the freehold property due to the fact that any charge would be immaterial given the expected residual value of the property.

Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Research and development costs

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research is recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised to administrative expenses on a straight line basis over their expected useful economic lives of 3 years. Amortisation begins when the intangible asset is available for use, i.e. when it is in the location and condition necessary for it to be usable in the manner intended by management.

The expected useful economic life of development costs are estimated based on business plans which set out the development plan and time to market for the associated project.

If it is not possible to distinguish between the research phase and the development phase of an internal project the expenditure is treated as if it were all incurred in the research phase only.

Leases

The company has no assets which are financed by leasing agreements that give rights approximating to ownership (finance leases).

As such, all leases are treated as operating leases. Their annual rentals are charged to the profit and loss account on a straight-line basis over the term of the lease.

The benefits of lease incentives received on entering into new leases are spread over the lease term.

Tripleplay Services Holdings Limited

Notes forming part of the financial statements
for the year ended 31 December 2019 (continued)

1 Accounting policies (continued)

Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

Financial instruments

The group only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable and loans to related parties.

Debt instruments like loans and other accounts receivable and payable are initially measured at present value of future payments and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables are measured initially and subsequently at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an outright short-term loan not at market rate the financial asset or liability is measured initially and subsequently at the present value of the future payment discounted at a market rate of interest for a similar debt instrument.

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

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the group would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount.

Pensions

The group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid, the company has no further payments obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the company in independently administered funds.

Tripleplay Services Holdings Limited

Notes forming part of the financial statements
for the year ended 31 December 2019 (continued)

Foreign currencies (continued)

Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

On consolidation, the results of overseas operations are translated into sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date, including any goodwill in relation to that entity. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a charge attributable to an item of income or expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company's subsidiaries operate and generate taxable income.

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where timing differences relate to interests in subsidiaries, associates, branches and joint ventures and the group can control their reversal and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred income tax is determined based on the rates expected to apply at the date of reversal, using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2 Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors have made the following judgements:

- Determine whether leases entered into by the group either as a lessor or a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease-by-lease basis.
- Determine whether there are indicators of impairment of the group's tangible and intangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset.

Tripleplay Services Holdings Limited

Notes forming part of the financial statements
for the year ended 31 December 2019 (continued)

Other key sources of estimation uncertainty

Tangible fixed assets (see note 10)

Tangible fixed assets, other than investment properties, are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

3 Analysis of turnover

	2019 £	2018 £
Analysis by class of business:		
Sale of goods and services	12,293,046	9,954,534
Contracts with customers	3,301,000	2,618,338
	<u>15,594,046</u>	<u>12,572,872</u>
Analysis of turnover by country of destination:		
United Kingdom	3,073,422	4,371,592
Rest of Europe	1,848,043	1,791,411
Rest of the world	10,672,581	6,409,869
	<u>15,594,046</u>	<u>12,572,872</u>

4 Operating profit

	2019 £	2018 £
This is arrived at after charging/(crediting):		
Depreciation of tangible fixed assets, owned by the group	107,821	62,716
Amortisation of intangible fixed assets	1,035	-
Loss on disposal of tangible fixed assets	101,267	-
Fees payable to the company's auditor for the audit of the group's annual accounts	29,797	22,363
Fees payable to company's auditor for the audit of the company's subsidiaries	35,877	-
Exchange differences	199,889	-
Defined contribution pension cost	120,408	108,018
	<u>706,185</u>	<u>193,107</u>

Tripleplay Services Holdings Limited

Notes forming part of the financial statements
for the year ended 31 December 2019 (continued)

5 Employees	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Staff costs consist of:				
Wages and salaries	5,166,994	4,212,613	-	-
Social security costs	529,303	431,058	-	-
Pensions	116,593	108,018	-	-
	<u>5,812,890</u>	<u>4,751,689</u>	<u>-</u>	<u>-</u>

The average number of employees, including directors, during the year was as follows:

	Group 2019 Number	Group 2018 Number	Company 2019 Number	Company 2018 Number
Staff	78	67	-	-
Directors	4	6	5	6
	<u>82</u>	<u>73</u>	<u>5</u>	<u>6</u>

6 Directors' remuneration	2019 £	2018 £
Directors' emoluments	872,404	588,304
Company contributions to defined pension schemes	29,228	64,137
	<u>901,632</u>	<u>652,441</u>

During the year retirement benefits were accruing to 2 directors (2018 - 3) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £286,436 (2018 - £213,599).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £8,874 (2018 - £18,647).

Directors are remunerated through other group companies. No charge has been made to the Company in the year (2018 - £Nil) and no amount has been accrued at the year end.

The group considers there to be no key management personnel other than the directors of the parent company.

Tripleplay Services Holdings Limited

Notes forming part of the financial statements
for the year ended 31 December 2019 (continued)

7 Interest receivable and similar income

	2019	2018
	£	£
Loan interest receivable	301	270

8 Interest payable and similar charges

	2019	2018
	£	£
Loan interest payable	6,408	5,887

Tripleplay Services Holdings Limited

Notes forming part of the financial statements
for the year ended 31 December 2019 (continued)

9: Taxation on profit	2019 £	2018 £
Corporation tax		
UK corporation tax charge/ (credit) for the year		(198,324)
Overseas tax	325,240	410
Adjustments in respect of previous periods	154,309	
Total current tax	479,549	(197,914)
Deferred tax		
Origination and reversal of timing differences	23,418	
Total deferred tax	23,418	
Taxation charge on profit on ordinary activities	502,967	

Reconciliation between the theoretical tax expense assuming all income/(loss) is taxed at the statutory tax rate applicable to income/(loss) of the group and the actual tax expense/(income) as reported in the Consolidated Statement of Comprehensive Income is as follows:

	2019 £	2018 £
Profit before tax	1,300,630	1,105,601
Profit on ordinary activities at the standard rate of corporation tax in the UK of 19% (2018 - 19%)	247,120	210,064
Effects of:		
Expenses not deductible for tax purposes	227,179	2,215
Capital allowances for the year (in excess of) depreciation	20,670	(14,900)
Research and development tax credit	-	(249,708)
Adjustment in respect of foreign tax rates	(137,189)	(142,600)
Trade intangible fixed assets debits on capital items	(17,144)	
Pension contribution	1,322	(2,985)
Tax adjustments and transfers	(2,426)	
Deferred tax not recognised	2,790	
Other adjustments	6,335	
Adjustments in respect of previous periods	154,310	
Total tax charge/ (credit) for the year	502,967	(197,914)

Tripleplay Services Holdings Limited

Notes forming part of the financial statements
for the year ended 31 December 2019. (continued)

10 Tangible fixed assets

Group	Freehold property £	Fixtures and fittings £	Computer equipment £	Total £
<i>Cost</i>				
At 1 January 2019	423,044	116,288	273,845	813,177
Additions	-	21,583	138,449	160,032
Disposals	(423,044)	-	-	(423,044)
Foreign currency on translation	-	10,258	(7,939)	2,319
At 31 December 2019	-	148,129	404,355	552,484
<i>Depreciation</i>				
At 1 January 2019	-	83,350	126,778	210,128
Charge for year	-	18,613	89,208	107,821
Disposals	-	-	-	-
Foreign currency on translation	-	5,026	(2,197)	2,829
At 31 December 2019	-	106,989	213,789	320,778
<i>Net book value</i>				
At 31 December 2019	-	41,140	190,566	231,706
At 31 December 2018	423,044	32,938	147,067	603,049
Company				Freehold property £
<i>Cost</i>				
At 1 January 2019				423,044
Disposal				(423,044)
At 31 December 2019				-
<i>Depreciation</i>				
At 1 January 2019				-
Charge for year				-
At 31 December 2019				-
<i>Net book value</i>				
At 31 December 2019				-
At 31 December 2018				423,044

Tripleplay Services Holdings Limited

Notes forming part of the financial statements
for the year ended 31 December 2019 *(continued)*

11 Intangible assets

Group	Development costs £
Cost	
At 1 January 2019	-
Additions	127,783
	<hr/>
At 31 December 2019	127,783
	<hr/>
Amortisation	
At 1 January 2019	-
Provision for year	1,035
	<hr/>
At 31 December 2019	1,035
	<hr/>
<i>Net book value</i>	
At 31 December 2019	126,748
	<hr/> <hr/>
At 31 December 2018	-
	<hr/> <hr/>

12 Fixed asset investments

Company	Investments in subsidiary companies £
Cost	
At 1 January 2019	15,990
Disposals	(652)
	<hr/>
At 31 December 2019	15,338
	<hr/>
<i>Net book value</i>	
At 31 December 2019	15,338
	<hr/> <hr/>
At 31 December 2018	15,990
	<hr/> <hr/>

Tripleplay Services Holdings Limited

Notes forming part of the financial statements
for the year ended 31 December 2019 (continued)

12 Fixed asset investments (continued)

During the year, the company held a direct shareholding in the following subsidiary undertakings:

Name <i>Subsidiary undertakings</i>	Equity interest held	Registered office	Nature of business
Tripleplay Services Limited	100%	(a)	Provision of IP Video Software Solutions
Tripleplay Aviation Services Limited	100%	(a)	Dormant
Tripleplay Services Australia Pty Limited	100%	(b)	Provision of IP Video Software Solutions
Tripleplay Services Iberia SL	100%	(c)	Provision of IP Video Software Solutions
Tripleplay Services Asia Pte Limited	100%	(d)	Provision of IP Video Software Solutions
Tripleplay Services North America Inc	100%	(e)	Provision of IP Video Software Solutions
3TP-Servicos Informaticos Unipessoal	100%	(f)	Provision of IP Video Software Solutions

All held directly.

Registered office –

- (a) 11 Staple Inn, London, WC1V 7QH, UK
- (b) 901/83 Mount Street, North Sydney, NSW, 2060, Australia
- (c) Casse Doctor Trueta, 127-133, Barcelona, 08005, Spain
- (d) 100D Pasir Panjang Road, #06-07 Meissa Building, Singapore
- (e) Suite 105, 1320 North Semoran Blvd, Orlando, Florida 32807, USA
- (f) Room 3.2/3.3, Center2Work, Gonçalo Cristovao Street, 185, Porto 4049-012, Portugal

Tripleplay Aviation Services Limited was dissolved during the year.

13 Stocks

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Finished goods	726,355	651,165	-	-

14 Debtors

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Due within one year				
Trade receivables	4,241,855	2,783,079	-	-
Amounts owed by group undertakings	-	-	1,581,103	1,731,471
Amounts owed by parent company	3,024,533	-	421,777	-
Other debtors	74,452	340,690	-	7,161
Prepayments and accrued income	300,397	136,956	-	-
	7,641,237	3,260,725	2,002,880	1,738,632

Tripleplay Services Holdings Limited

Notes forming part of the financial statements
for the year ended 31 December 2019 (continued)

14 Debtors (continued)

Amounts owed by group undertakings are charged interest at 5.2% and repayable on demand. Amounts owed by parent undertakings are interest free and repayable on demand.

15 Creditors: amounts falling due within one year

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Trade payables	1,024,137	699,734	-	-
Amounts owed to group undertakings	-	-	2,035,018	2,325,790
Other taxation and social security	320,114	140,153	-	-
Other creditors	52,622	150,565	-	-
Bank loans	-	27,917	-	27,917
Corporation tax	239,874	-	-	-
Accruals and deferred income	2,489,682	2,136,593	48,250	20,100
	<u>4,126,429</u>	<u>3,154,962</u>	<u>2,083,268</u>	<u>2,373,807</u>

Amounts owed to group undertakings are charged interest at 5.2% and repayable on demand.

16 Creditors: amounts falling due after more than one year

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Deferred income	456,007	-	-	-
Bank loans	-	97,124	-	97,124
	<u>456,007</u>	<u>97,124</u>	<u>-</u>	<u>97,124</u>

Secured loans

A mortgage totalling £nil (2018: £125,041) was secured on the property and is repayable by November 2023 by equal instalments. The rate of interest payable upon this mortgage was 3.75% above the Bank of England base rate. Following the sale of the property in the year, the mortgage balance was repaid.

Tripleplay Services Holdings Limited

Notes forming part of the financial statements
for the year ended 31 December 2019 (continued)

17	Deferred tax liability	2019
		£
	Group	
	At beginning of year	-
	Charged to profit or loss	(23,418)
	At end of year	(23,418)

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
<i>Deferred tax liability</i>	£	£	£	£
Accelerated capital allowances	(27,806)	-	-	-
Short term timing differences	4,388	-	-	-
	(23,418)	-	-	-

18	Share capital	2019	2018
		£	£
	Group and company		
	<i>Authorised, issued and allotted</i>		
	149,900 (2018: 149,900) ordinary shares of £1 each	149,900	149,900

The Ordinary shares have attached to them full voting, dividend and capital distribution (including on winding up) rights; they do not confer any rights of redemption.

19 Reserves

Share capital

Share capital represents the nominal value of the shares issued.

Share premium account

Share premium account includes the premium on issue of equity shares.

Currency translation reserve

Currency translation reserve represents the foreign currency revaluations.

Retained earnings

Retained earnings reserve represents all accumulated profit and losses.

Tripleplay Services Holdings Limited

Notes forming part of the financial statements
for the year ended 31 December 2019 (continued)

20 Pensions

The group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £116,593 (2018 - £108,018). Contributions totalling £52,623 (2018 - £18,851) were payable to the fund at the year end and are included within other creditors.

21 Commitments under operating leases

The group had commitments under non-cancellable operating leases as set out below:

	2019 £	2018 £
Not later than 1 year	155,134	27,919
Later than 1 year and not later than 5 years	251,011	27,919
Later than 5 years	-	69,207
Total	406,145	125,045

22 Related party transactions

The Company has taken advantage of the exemptions available and has not disclosed transactions with other wholly owned members of the Group.

23 Reconciliation of profit before taxation to cash generated from operations

	2019 £	2018 £
Profit for the financial year	1,300,630	1,105,601
Depreciation charges	107,821	62,716
Amortisation	1,035	-
Loss on disposal of fixed assets	101,267	1,600
Interest receivable	(301)	(270)
Interest payable	6,408	5,887
	1,516,860	1,175,534
Increase in stocks	(70,584)	(344,141)
(Increase) in debtors	(1,347,806)	(485,722)
Increase in creditors	1,216,027	1,406,398
Cash generated from operations	1,314,497	1,752,069

Tripleplay Services Holdings Limited

Notes forming part of the financial statements
for the year ended 31 December 2019 (continued)

24 Analysis of changes in net funds

	At 1 January 2019 £	Cash flow £	Foreign Exchange Gains and Losses £	At 31 December 2019 £
Net cash				
Cash at bank	3,595,762	(2,046,898)	(52,586)	1,496,278
Debt				
Bank loan	(125,041)	125,041	-	-
Total	3,470,721	(1,921,857)	(52,586)	1,496,278

25 Ultimate controlling party

During the year the Group was acquired by U.S. Hospitality Publishers, Inc. and therefore as at 31 December 2019 the ultimate controlling party is U.S. Hospitality Publishers, Inc. by virtue of their shareholding in the company. The registered address of U.S. Hospitality Publishers, Inc. is 2926 Kraft Drive, Nashville, Tennessee, 37204, United States.

26 Post balance sheet events

On 11 March 2020 the World Health Organization declared the Coronavirus Disease 2019 ("COVID-19") a pandemic. COVID-19 has had a significant impact on the economy in which the Group operates. The Group's business model has proven strategically important in the current COVID-19 crisis. The Group is expecting a decline in revenue for 2020 however due to cost savings implemented, net profit is expected to be higher than 2019.

Subsequent to year end, the trade and assets of Onelan Limited, a subsidiary of U.S. Hospitality Publishers, Inc. were transferred into Tripleplay Services Limited.

Following the conclusion of the Trade and Cooperation Agreement with the European Union, the group is reviewing the impact on its operations. The Tripleplay group already has an established subsidiary based in Spain and therefore has the ability to adapt operations as required. As far as it is possible to ascertain issues arising after 1 January 2021, the Group believe there will be minimal impact on its business and none on its onward supply to its customers.