

Trinifold Management Limited

DIRECTORS' REPORT AND ACCOUNTS

For the year ended 30 September 2004



Company Registration No. 1154197 (England and Wales)

TRINFOLD MANAGEMENT LIMITED

COMPANY INFORMATION

Directors

WG Curbishley
RN Rosenberg
MD Miller

Secretary

SEA Standing

Company number

1154197

Registered office

Sanctuary House
45-53 Sinclair Road
London
W14 0NS

Business address

12 Oval Road
Camden
London
NW1 7DH

Accountants

Baker Tilly
Chartered Accountants
2 Bloomsbury Street
London WC1B 3ST

TRINFOLD MANAGEMENT LIMITED

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TRINFOLD MANAGEMENT LIMITED

DIRECTORS' REPORT

For the year ended 30 September 2004

The directors present their report and accounts for the year ended 30 September 2004. Comparative figures are for the 7 month period ended 30 September 2003.

Principal activities

The principal activity of the company continues to be that of involvement in the music and entertainment business.

Review of business

Both the level of business and the year end financial position were as expected in the light of current trading conditions and the directors do not anticipate any material changes in the present level of activity.

Results and dividends

The profit for the year after taxation amounted to £1,843,721 (2003: £1,075,025).

The directors do not recommend a payment of a dividend (2003 : nil).

Directors and their interests

The directors at 30 September 2004 were:

WG Curbishley
RN Rosenberg
MD Miller

Mr M D Miller is also a director of the ultimate parent company, The Sanctuary Group plc. Details of his shareholding in that company are given in its statutory accounts.

The shareholdings of other directors in The Sanctuary Group plc are as follows:-

	Ordinary Shares of 12.5p each	
	30 September 2004	30 September 2003
WG Curbishley	-	-
RN Rosenberg	-	-

Charitable contributions

During the year the company made charitable donations of £3,350 (2003: £2,300).

Auditors

A resolution proposing the reappointment of Baker Tilly as auditors will be put to the members at the next Annual General Meeting.

On behalf of the Board



M D Miller

Director

Dated: 11 February 2005

TRINFOLD MANAGEMENT LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing those accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts comply with the Companies Act 1985. 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.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF TRINFOLD MANAGEMENT LIMITED

We have audited the financial statements on pages 4 to 11.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinion we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities on page 2.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company and other members of the group is not disclosed.

We read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

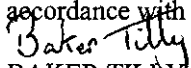
Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company at 30 September 2004 and of the company's profit for the year then ended and have been properly prepared in accordance with The Companies Act 1985.


BAKER TILLY
Registered Auditor
Chartered Accountants
2 Bloomsbury Street
London WC1B 3ST

11 February 2005

TRINFOLD MANAGEMENT LIMITED

PROFIT AND LOSS ACCOUNT

For the year ended 30 September 2004

	<i>Notes</i>	Year ended 30 September 2004 £	Period ended 30 September 2003 £
Turnover	2	2,742,403	1,937,316
Administrative expenses		(840,812)	(405,562)
Operating profit	3	1,901,591	1,531,754
Other income	6	8,510	4,410
Profit on ordinary activities before taxation		1,910,101	1,536,164
Tax on profit on ordinary activities	7	(66,380)	(461,139)
Profit on ordinary activities after taxation, retained		1,843,721	1,075,025
Retained profit brought forward		3,268,357	2,193,332
Retained profit carried forward		5,112,078	3,268,357

The operating profit for the year arises from the company's continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

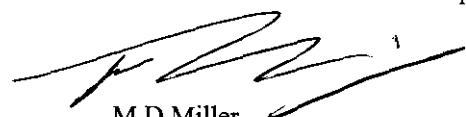
TRINFOLD MANAGEMENT LIMITED

BALANCE SHEET

30 September 2004

	Notes	2004 £	2004 £	2003 £	2003 £
Fixed assets					
Tangible assets	8		75,342		87,690
Current assets					
Debtors	9	3,364,923		1,980,724	
Cash at bank and in hand	10	2,822,219		2,165,687	
		<u>6,187,142</u>		<u>4,146,411</u>	
Creditors: Amounts falling due within one year	11	<u>(1,150,306)</u>		<u>(965,644)</u>	
Net Current assets			5,036,836		3,180,767
Total assets less current Liabilities			<u>5,112,178</u>		<u>3,268,457</u>
Capital and reserves					
Called up share capital	13		100		100
Profit and loss account			5,112,078		3,268,357
Shareholders' funds – all equity interests	14		<u>5,112,178</u>		<u>3,268,457</u>

The financial statements were approved by the Board on 11 February 2005


M D Miller
Director

TRINIFOLD MANAGEMENT LIMITED

NOTES TO THE ACCOUNTS

For the year ended 30 September 2004

1 Accounting policies

1.1 Basis of preparation

The accounts have been prepared under the historical cost convention.

1.2 Turnover

Turnover represents the invoiced value of services provided net of VAT.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Leasehold improvements over the duration of the lease

Fixtures, fittings & equipment 25% reducing balance basis

Motor vehicles 25% reducing balance basis

1.4 Leasing

Rental payments under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

1.5 Foreign currency translation

Transactions denominated in foreign currencies are recorded at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

1.6 Deferred Taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

TRINFOLD MANAGEMENT LIMITED

NOTES TO THE ACCOUNTS

For the year ended 30 September 2004

3	Operating profit	Year ended	Period ended
		30 September	30 September
		2004	2003
		£	£
	Operating profit is stated after charging:		
	Depreciation of owned tangible fixed assets	19,312	11,601
	Operating lease rentals		
	- Plant and machinery	10,306	3,584
	- Other assets	84,000	58,100
	Auditors' remuneration	7,500	7,000
		<u> </u>	<u> </u>
4	Directors' emoluments	Year ended	Period ended
		30 September	30 September
		2004	2003
		£	£
	Aggregate emoluments	205,250	116,667
		<u> </u>	<u> </u>
	Emoluments disclosed above include the following amounts paid to the highest paid director:		
	Aggregate emoluments	102,625	58,324
		<u> </u>	<u> </u>
5	Employees	Year ended	Period ended
		30 September	30 September
		2004	2003
		Number	Number
	Number of employees		
	The average monthly number of employees during the year was:		
	Administration	9	9
		<u> </u>	<u> </u>
	Employment costs	£	£
	Wages and salaries	370,063	203,413
	Social security costs	41,860	24,962
		<u> </u>	<u> </u>
		411,923	228,375
		<u> </u>	<u> </u>

TRINFOLD MANAGEMENT LIMITED

NOTES TO THE ACCOUNTS

For the year ended 30 September 2004

6	Other Income	Year ended	Period ended
		30 September 2004 £	30 September 2003 £
	Interest receivable and similar income	8,510	4,410
		<u> </u>	<u> </u>
7	Tax on profit on ordinary activities	Year ended	Period ended
		30 September 2004 £	30 September 2003 £
	Analysis of charge in period		
	Current taxation		
	U.K. Corporation tax	-	461,139
	Adjustment in respect of previous years	68,756	-
	Total Current taxation	<u>68,756</u>	<u>461,139</u>
	Deferred taxation – reversal of timing difference	(2,376)	-
	Tax on profit on ordinary activities	<u>66,380</u>	<u>461,139</u>
		<u> </u>	<u> </u>
	Factors affecting tax charge for the period		
	The differences from the tax assessed at the standard rate of corporation tax in the UK of 30% (2003 - 30%) are explained below:		
		£	£
	Profit on ordinary activities before taxation	1,919,141	1,536,164
	Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2003 – 30%)	<u>575,742</u>	<u>460,849</u>
	Effects of:		
	Capital allowances in excess of depreciation	2,376	290
	Losses claimed from other group companies	(578,118)	-
	Adjustment to tax charge in respect of previous years	68,756	-
	Current tax charge for the period	<u>68,756</u>	<u>461,139</u>
		<u> </u>	<u> </u>

TRINFOLD MANAGEMENT LIMITED

NOTES TO THE ACCOUNTS

For the year ended 30 September 2004

8	Tangible fixed assets	Leasehold improvements	Fixtures, fittings & equipment	Motor vehicles	Total
		£	£	£	£
	Cost				
	At 1 October 2003	43,508	397,940	32,312	473,760
	Additions	-	6,964	-	6,964
	At 30 September 2004	<u>43,508</u>	<u>404,904</u>	<u>32,312</u>	<u>480,724</u>
	Depreciation				
	At 1 October 2003	32,996	342,980	10,094	386,070
	Charge for the year	4,344	9,422	5,546	19,312
	At 30 September 2004	<u>37,340</u>	<u>352,402</u>	<u>15,640</u>	<u>405,382</u>
	Net book value				
	At 30 September 2004	<u>6,168</u>	<u>52,502</u>	<u>16,672</u>	<u>75,342</u>
	At 30 September 2003	<u>10,512</u>	<u>54,960</u>	<u>22,218</u>	<u>87,690</u>
9	Debtors			2004 £	2003 £
	Trade debtors			289,997	152,967
	Amounts owed by group companies			15,116	14,751
	Other debtors			101,763	102,035
	Deferred Tax			2,376	-
	Prepayments and accrued income			2,955,671	1,710,971
				<u>3,364,923</u>	<u>1,980,724</u>
10	Cash at bank and in hand			2004 £	2003 £
	Bank and cash			2,810,576	2,150,128
	Clients designated bank accounts			11,643	15,559
				<u>2,822,219</u>	<u>2,165,687</u>

TRINFOLD MANAGEMENT LIMITED

NOTES TO THE ACCOUNTS

For the year ended 30 September 2004

11	Creditors: amounts falling due within one year	2004	2003
		£	£
	Amounts owed to group companies	72,766	68,856
	Corporation tax	743,403	674,647
	Other taxes and social security costs	96,763	7,391
	Other creditors	174,199	199,454
	Accruals and deferred income	63,175	15,296
		<u>1,150,306</u>	<u>965,644</u>
12	Provision for liabilities and charges	2004	2003
		£	£
	Deferred Taxation		
	Accelerated capital allowances	2,376	-
		<u>2,376</u>	<u>-</u>
	At 1 October 2003	-	-
	Deferred tax credited to profit and loss account	2,376	-
		<u>2,376</u>	<u>-</u>
	At 30 September 2004 – Debtor – see note 9	<u>2,376</u>	<u>-</u>
13	Share capital	2004	2003
		£	£
	Authorised		
	100 Ordinary shares of £1 each	100	100
		<u>100</u>	<u>100</u>
	Allotted, called up and fully paid		
	100 Ordinary shares of £1 each	100	100
		<u>100</u>	<u>100</u>
14	Reconciliation of movements in shareholders' funds	2004	2003
		£	£
	Profit for the financial period	1,843,721	1,075,025
	Net movement in shareholders' funds	<u>1,843,721</u>	<u>1,075,025</u>
	Opening shareholders' funds	3,268,457	2,193,432
	Closing shareholders' funds	<u>5,112,178</u>	<u>3,268,457</u>

TRINIFOLD MANAGEMENT LIMITED

NOTES TO THE ACCOUNTS

For the year ended 30 September 2004

15 Commitments under operating leases

At 30 September 2004 the company had annual commitments under non-cancelable operating leases as follows:

	Land and buildings	
	2004	2003
	£	£
Expiry date:		
In over 5 years	84,000	84,000
	<u> </u>	<u> </u>

16 Related party disclosures

In preparing these financial statements, the directors have taken advantage of the exemptions available under paragraph 3(c) of the Financial Reporting Standard No.8 Related Party Disclosures.

17 Cash Flow statements

In accordance with Financial Reporting Standard No.1, cash flow statements have not been prepared as the cash flows of the company are included in those of the ultimate parent company, The Sanctuary Group plc.

18 Ultimate parent company and controlling party

In the directors' opinion the immediate and ultimate parent company at 30 September 2004 was The Sanctuary Group plc a company registered in England and Wales.

Copies of the group financial statements of The Sanctuary Group plc are available from Companies House, Crown Way, Maindy, Cardiff CF4 3UZ

19 Contingent liabilities

During the year, the company has provided cross guarantees in respect of bank loans and overdrafts of certain group undertakings. The amount outstanding at 30 September 2004 was £68,222,000 (2003: £59,452,000)