

**TRINFOLD MANAGEMENT LIMITED**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2015**

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# **TRINIFOLD MANAGEMENT LIMITED**

## **FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 2015**

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# **TRINFOLD MANAGEMENT LIMITED**

## **OFFICERS AND PROFESSIONAL ADVISERS**

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### **THE BOARD OF DIRECTORS**

A Brown  
RM Constant  
WG Curbishley  
BJ Muir  
RN Rosenberg

### **COMPANY SECRETARY**

A Abioye

### **REGISTERED OFFICE**

364-366 Kensington High Street  
London  
W14 8NS

### **AUDITOR**

Grant Thornton UK LLP  
Chartered Accountants  
Statutory auditor  
Grant Thornton House  
Melton Street  
Euston Square  
London  
NW1 2EP

# **TRINFOLD MANAGEMENT LIMITED**

## **STRATEGIC REPORT**

### **YEAR ENDED 31 DECEMBER 2015**

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The directors present their strategic report for the company for the year ended 31 December 2015.

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

The principal activity of the company during the year was involvement in the music and entertainment business.

The result and position of the company as at and for the year ended 31 December 2015 are set out in the statement of comprehensive income, statement of financial position and statement of changes in equity on pages 7, 8 and 9 respectively. The result and position of the company were in line with directors' expectations.

#### **RESULTS AND DIVIDENDS**

The company's profit for the financial year was £609,344, (2014 - profit £107,192). The retained profit for the year has been transferred to reserves.

The directors do not recommend payment of a dividend (2014: £nil).

#### **PRINCIPAL RISKS AND UNCERTAINTIES**

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

- competition from alternative entertainment products;
- price pressure from the increased presence of supermarkets in the music market and their threat to survival of independent music retailers;
- the threat of a devalued product due to piracy and the illegal use of music;
- uncertainty as to whether the growth in the subscription services market can replace the decline in the physical and download market; and
- interest rate fluctuations.

All risks and uncertainties are regularly monitored by the Board of Directors of the company.

#### **FUTURE DEVELOPMENTS**

Notwithstanding the risks and uncertainties outlined above, the directors do not anticipate any significant change in the activities and results of the company in the foreseeable future.

By Order of the board

A Brown  
Director



26 SEP 2016

# TRINFOLD MANAGEMENT LIMITED

## DIRECTORS' REPORT

YEAR ENDED 31 DECEMBER 2015

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The directors present their report, the strategic report and the financial statements of the company for the year ended 31 December 2015.

### DIRECTORS

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

A Brown  
RM Constant  
WG Curbishley  
BJ Muir  
RN Rosenberg

### 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 s236 CA 2006. Vivendi SA, 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

During the year the company made the following contributions:

	2015 £	2014 £
Charitable	10,687	500
	<u>10,687</u>	<u>500</u>

# TRINFOLD MANAGEMENT LIMITED

## DIRECTORS' REPORT (continued)

YEAR ENDED 31 DECEMBER 2015

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### DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the directors' 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, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (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 company and of the profit or loss of the company for that year. In preparing these financial statements, the directors are required to:

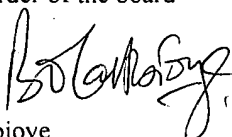
- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

In so far as each of the directors at the date of approving this report are aware:

- there is no relevant audit information of which the company's auditor is unaware; and
- each director has taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

By order of the board



A Abioye

Company Secretary

Company Registration Number: 01154197

26 SEP 2016

# **TRINFOLD MANAGEMENT LIMITED**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TRINFOLD MANAGEMENT LIMITED**

**YEAR ENDED 31 DECEMBER 2015**

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We have audited the financial statements of Trinifold Management Limited for the year ended 31 December 2015, which comprise the Statement of Comprehensive Income, the Statement of Financial Position and the Statement of Changes in Equity and the related notes 1 to 20. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard FRS 102 "the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR**

As explained more fully in the Directors' Responsibilities Statement set out on pages 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### **OPINION ON FINANCIAL STATEMENTS**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006**

In our opinion 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.

# TRINFOLD MANAGEMENT LIMITED

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

**YEAR ENDED 31 DECEMBER 2015**

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### MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where 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.

*Grant Thornton UK LLP*

Steven Leith (Senior Statutory Auditor)

For and on behalf of

Grant Thornton UK LLP,

Chartered Accountants

London

*26/9/16*

Company Registration Number: 01154197



**TRINFOLD MANAGEMENT LIMITED**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 DECEMBER 2015**

	Note	Total 2015 £	Total 2014 £
<b>TURNOVER</b>	<b>4</b>	<b>3,466,885</b>	<b>1,898,630</b>
Cost of sales		<b>(888,343)</b>	<b>(176,763)</b>
<b>GROSS PROFIT</b>		<b>2,578,542</b>	<b>1,721,867</b>
Administrative expenses		<b>(1,795,083)</b>	<b>(1,569,477)</b>
<b>OPERATING PROFIT</b>	<b>5</b>	<b>783,460</b>	<b>152,390</b>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE INVESTMENT INCOME, INTEREST AND TAXATION</b>		<b>783,460</b>	<b>152,390</b>
Interest receivable and similar income	<b>8</b>	<b>39,980</b>	<b>41,634</b>
Interest payable and similar charges	<b>9</b>	<b>(56,495)</b>	<b>(55,078)</b>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>766,945</b>	<b>138,946</b>
Tax on profit on ordinary activities	<b>10</b>	<b>(157,601)</b>	<b>(31,754)</b>
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<b>609,344</b>	<b>107,192</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR</b>		<b>609,344</b>	<b>107,192</b>

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

The notes on pages 10 to 27 form part of these financial statements.

**TRINFOLD MANAGEMENT LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2015**

	Note	2015 £	2014 £
<b>FIXED ASSETS</b>			
Property, plant & equipment (Tangible Assets)	11	18,331	19,164
		<u>18,331</u>	<u>19,164</u>
<b>CURRENT ASSETS</b>			
Debtors: Amounts falling due within one year	12	10,966,744	10,527,136
Cash at bank		26,404	61,543
		<u>10,993,148</u>	<u>10,588,679</u>
<b>CREDITORS: Amounts falling due within one year</b>	13	(9,370,639)	(9,576,347)
<b>NET CURRENT ASSETS</b>		<u>1,622,509</u>	<u>1,012,332</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>1,640,840</u>	<u>1,031,496</u>
<b>NET ASSETS</b>		<u>1,640,840</u>	<u>1,031,496</u>
<b>CAPITAL AND RESERVES</b>			
Called-up equity share capital	18	100	100
Profit and loss account		1,640,740	1,031,396
<b>EQUITY SHAREHOLDERS' FUNDS</b>		<u>1,640,840</u>	<u>1,031,496</u>

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

26 SEP 2016

A Brown



Director

Registered number 01154197

The notes on pages 10 to 27 form part of these financial statements

**TRINFOLD MANAGEMENT LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**YEAR ENDED 31 DECEMBER 2015**

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	Share capital £	Profit & Loss Account £	Total share-holders' funds £
Balance brought forward at 1 January 2014	100	924,204	924,304
Balance at 1 January 2014 restated	100	924,204	924,304
<b>Total comprehensive income for the period</b>			
Profit for the year	-	107,192	107,192
Balance brought forward at 1 January 2015	100	1,031,396	1,031,496
Balance at 1 January 2015 restated	100	1,031,396	1,031,496
<b>Total comprehensive income for the period</b>			
Profit for the year	-	609,344	609,344
<b>Balance carried forward at 31 December 2015</b>	<b>100</b>	<b>1,640,740</b>	<b>1,640,840</b>

The notes on pages 10 to 27 form part of these financial statements.

# TRINFOLD MANAGEMENT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### YEAR ENDED 31 DECEMBER 2015

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#### 1. STATUTORY INFORMATION

Trinifold Management Limited is a company limited by shares and incorporated and domiciled in the UK. The registered office is 364-366 Kensington High Street, London, W14 8NS.

#### 2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in compliance with the FRS 102 as it applies at 31 December 2015.

The company transitioned from previously UK GAAP to FRS 102 as at 1 January 2014. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 20.

#### 3. ACCOUNTING POLICIES

##### **Basis of preparation of financial statements**

The financial statements for the year ended 31 December 2015 are the first financial statements that comply with FRS 102. The presentation currency of these financial statements is sterling and rounded to the nearest £.

The transition to FRS 102 from old UK GAAP, has not resulted in any changes in accounting policies to those used previously.

In the transition to FRS 102 from old UK GAAP, the company has made no measurement and recognition adjustments.

FRS 102 grants certain first-time adoption exemptions from the full requirements of FRS 102. The following exemptions have been taken in these financial statement:

##### **1st time adoption exemptions taken**

- The previous GAAP revaluation at transition date has been used as deemed cost for all tangible and intangible assets.
- Lease arrangements - in order to determine whether an arrangement contains a lease, the company has analysed facts and circumstances existing at 1 January 2014 rather than commencement date of the arrangement.
- Lease incentives - for leases commenced before 1 January 2014 the company continued to account for lease incentives under previous UK GAAP.

# TRINFOLD MANAGEMENT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### YEAR ENDED 31 DECEMBER 2015

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#### 3. ACCOUNTING POLICIES (continued)

##### 1st time adoption exemptions taken (continued)

- FRS 102 section 35.11.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

##### FRS 102 - Qualifying exemptions

- The company's ultimate parent undertaking, Vivendi SA includes the company in its consolidated financial statements. The consolidated financial statements of Vivendi SA are prepared in accordance with International Financial Reporting Standards as adopted by the EU and are available to the public and may be obtained from 42 Avenue de Friedland, 75380 Paris, Cedex 08, France. In these financial statements, the company is considered to be a qualifying entity and has applied the exemptions available under FRS 102 in respect of the following disclosures:
- Reconciliation of the number of shares outstanding from the beginning to end of the period.
- Cash Flow Statement and related notes;
- Related party disclosures; and
- Key Management Personnel compensation.

As the consolidated financial statements of Vivendi SA include the equivalent disclosures, the company has also taken the exemptions under FRS 102 available in respect of the following disclosures:

- Certain disclosures required by FRS 102.26 *Share Based Payments*; and
- The disclosures required by FRS 102.11 *Basic Financial Instruments* and FRS 102.12 *Other Financial Instruments Issues* in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

##### Other qualifying exemptions

As the ultimate parent undertaking prepares publicly available consolidated accounts 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.

##### Change in accounting policy/prior period adjustment

As identified at note 22 the policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.

**TRINFOLD MANAGEMENT LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2015**

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**3. ACCOUNTING POLICIES (continued)**

**Measurement convention**

The financial statements are prepared on the historical cost basis 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.

**Going concern**

The Company's business activities, together with the factors likely to affect future developments, its financial exposures and its risk exposures are described above.

After making enquiries, the directors have a reasonable expectation that the company has adequate resources available to it to continue in operational existence for the foreseeable future. Accordingly, they continue to adapt the going concern basis in preparing the financial statements.

**Continued support from parent undertaking**

The financial statements have been prepared on the going concern basis as the company has received confirmation for Societe d'Investissements et de Gestion 104 S.A.S., the company's intermediate parent undertaking, of its intention to continue to provide financial and other support to the extent necessary to enable the company to continue to pay its liabilities as and when they become due for a period not less than one year from the date of approval of these financial statements. Having regard to this intention, the directors believe it is appropriate to prepare these financial statements on a going concern basis.

**Revenue recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenues can be reliably measured.

***Management commission***

Management commission income is recognised when a right to consideration has been established, the commissions can be reliably quantified and receipt of such commissions is considered certain. In normal circumstances, this results in revenue being recognised in the period in which the managed artist realises income from their contractual arrangements with third parties, thus triggering the manager's right to commission.

***Commission on recording, publishing, merchandising and similar artist income***

Where an artist has contracted with a third party to receive stage payments of advances, commission income is recognised when the artist receives, or becomes contractually due to receive these payments, for example, where a managed artist has a contract with a record company.

***Commission on tour income***

Commission is recognised on concerts played in the period. Where a tour straddles the end of the period, commission income is recognised only in respect of those concerts played before the period end. Where final accountings for concerts played in the period are not available, the amount of commissionable income to be recognised is assessed based on the contractual terms and the best information available as to concert attendances and takings. In the absence of better information, this estimate is based on the minimum level of income guaranteed to the managed artist by the promoter.

**TRINFOLD MANAGEMENT LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2015**

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**3. ACCOUNTING POLICIES (continued)**

**Property, plant and equipment**

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

***Depreciation***

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Leasehold property	- Over the term of the lease
Office equipment	- 15% reducing balance

The carrying values of tangible fixed assets are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

**Classification of financial instruments issued by the Company**

In accordance with FRS 102.22, financial instruments issued by the company are treated as equity only to the extent that they meet the following two conditions:

- (a) they include no contractual obligations upon the company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the company; and
- (b) where the instrument will or may be settled in the company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the company's own equity instruments or is a derivative that will be settled by the company exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

**Basic financial instruments**

***Trade and other debtors / creditors***

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

**TRINFOLD MANAGEMENT LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2015**

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**3. ACCOUNTING POLICIES (continued)**

**Basic financial instruments (continued)**

*Advances*

Advances to unproven artists are expensed. Advances to other artists are written down to the estimated amount that will be recoverable from future royalty payments to the artist. Net advances to artists are classified as falling due within one year, although elements may not be recovered until more than one year. Long term advances to artists, where the effect of the time value of money is material, are discounted.

*Interest-bearing loans borrowings classified as basic financial instruments*

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 and reduced by any settlement made. Interest is charged and earned on a fixed element of the debt at an arms length rate.

Finance costs of debt are allocated over the term of the debt at a constant rate on the carrying amount.

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

*Cash and cash equivalents*

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts are repayable on demand.



**TRINFOLD MANAGEMENT LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2015**

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**3. ACCOUNTING POLICIES (continued)**

**Impairment excluding stocks and deferred tax assets**

***Financial assets (including trade and other debtors)***

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in profit or loss. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

***Non-financial assets***

The carrying amounts of the company's non-financial assets, other than [investment property, stock and deferred tax assets], are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination for the purpose of impairment testing is allocated to cash-generating units, or ("CGU") that expected to benefit from the synergies of the combination. For the purpose of goodwill impairment testing, if goodwill cannot be allocate individual CGUs or groups of CGUs on a non-arbitrary basis, the impairment of goodwill is determined using the recoverable amount of the acquired entity in its entirety, or if it has been integrated then the entire entity into which it has been integrated.

**TRINFOLD MANAGEMENT LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2015**

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**3. ACCOUNTING POLICIES (continued)**

**Employee benefits**

**Pension costs and other post-retirement benefits**

The company participates in a pension scheme in the UK, ultimately operated by Vivendi SA; the Universal Music Group Pension Scheme ("UMGPS" or "the Scheme"). The Scheme is a mixed defined benefit and defined contribution Scheme and operates on a pre-funded basis.

In respect of employees of the Company, Company contributions to the defined contribution section are charged to the statement of comprehensive income as they become payable in accordance with the rules of the Scheme. The defined contribution section of the Scheme closed to future accrual from 31 March 2011.

With effect from 1 April 2011 defined contribution accrual is under a contract based Group Personal Pension ("GPP") arrangement operated by Standard Life. In respect of employees of the Company, Company contributions to the GPP are charged to the statement of comprehensive income as they become payable.

FRS 17 requires that the Scheme's underlying assets and liabilities can be allocated to the entities sponsoring the Scheme. This allocation could not be done on a consistent and reasonable basis for alone.

***Termination benefits***

Termination benefits are recognised as a expense when the company is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provided termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the company has made an offer of voluntary redundancy, it is possible that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting date, then they are discounted to their present value.

**Provision for royalty audit claims**

A provision is recognised in the statement of financial position when the company has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provision are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

Where the company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the company treats the guarantee contract as a contingent liability until such time as it becomes probable that the company will be required to make a payment under the guarantee.

**TRINFOLD MANAGEMENT LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2015**

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**3. ACCOUNTING POLICIES (continued)**

**Expenses**

***Operating lease agreements***

Payments (excluding costs for services and insurance) made under operating leases are recognised in the statement of comprehensive income on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation; in which case the payments related to the structured increases are recognised as incurred. Lease incentives received are recognised in profit and loss over the term of the lease as an integral part of the total lease expense.

***Interest receivable and Interest payable***

Interest payable and similar charges include interest payable, finance charges on shares classified as liabilities and finance leases recognised in profit or loss using the effective interest method, unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the statement of comprehensive income (see foreign currency accounting policy).

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, using the effective interest method. Dividend income is recognised in the statement of comprehensive income on the date the company's right to receive payments is established. Foreign currency gains and losses are reported on a net basis.

**TRINFOLD MANAGEMENT LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2015**

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**3. ACCOUNTING POLICIES (continued)**

**Taxation**

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised 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 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 provided in respect of the additional tax that will be paid or avoided on differences between the amount at which an asset (other than goodwill) or liability is recognised in a business combination and the corresponding amount that can be deducted or assessed for tax. Goodwill is adjusted by the amount of such deferred tax.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the statement of financial position date. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

**Foreign currencies**

Transactions in foreign currencies are translated to the company's functional currency at the foreign exchange rate ruling at the date of transaction. Monetary assets and liabilities denominated in foreign currencies at the statement of financial position date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the statement of comprehensive income.

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**4. TURNOVER**

Turnover by activity is as follows:

	2015 £	2014 £
Royalties	263,479	754,167
Touring income	3,203,406	1,144,463
	<u>3,466,885</u>	<u>1,898,630</u>

Turnover by destination is as follows:

	2015 £	2014 £
United Kingdom	3,466,885	1,898,630
	<u>3,466,885</u>	<u>1,898,630</u>

Turnover by source is exclusively derived in the United Kingdom.

**5. OPERATING PROFIT**

Operating profit is stated after charging/(crediting):

	2015 £	2014 £
Depreciation of owned fixed assets	2,768	2,848
Auditor's remuneration	18,750	19,200
<b>Operating lease costs:</b>		
- Land and buildings	121,696	73,112
Net loss on foreign currency translation	<u>46,401</u>	<u>-</u>

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**6. PARTICULARS OF EMPLOYEES**

The company had 8 employees during the year ended 31 December 2015 (2014 : 8)

The emoluments of the three of the directors of the company were borne by other group companies in both years.

**The average number of staff employed by the company during the financial year amounted to:**

	<b>2015</b>	<b>2014</b>
	<b>No</b>	<b>No</b>
Number of administrative staff	<u>8</u>	<u>8</u>

**The aggregate payroll costs of the above were:**

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Wages and salaries	<b>1,052,585</b>	1,004,521
Social security costs	<b>137,540</b>	130,026
Other pension costs	<b>6,650</b>	5,822
	<u><b>1,196,775</b></u>	<u><b>1,140,370</b></u>

The directors were also directors of fellow group undertakings and did not receive any remuneration for their services to this company.

**7. DIRECTORS' REMUNERATION**

**The directors' aggregate remuneration in respect of qualifying services were:**

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Remuneration receivable	<u>790,404</u>	<u>775,498</u>
	<u><b>790,404</b></u>	<u><b>775,498</b></u>

The directors' emoluments above were paid and ultimately borne by the principal.

Retirement benefits are accruing to one director (2014: one) under the Universal defined contribution section of the Universal Music Group Pension Scheme (UMGPS) and the Group Personal Pension (GPP) arrangement.

Four directors (2014: four ) were not members of any retirement benefit schemes.

One of these was the highest paid director.

The emoluments of three directors (2014 : three) were paid and borne by other fellow group undertakings and they received no remuneration in respect of their services to the company.

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**7. DIRECTORS' REMUNERATION (continued)**

**Remuneration of highest paid director:**

	<b>2015</b>	2014
	<b>£</b>	£
Total remuneration (excluding pension contributions)	<b>461,084</b>	452,000
	<u><b>461,084</b></u>	<u>452,000</u>

None of the directors received share options under the group's long term incentive grant scheme (2014 : three). The amounts receivable to the directors under long term incentive schemes were £Nil (2014 : £Nil).

**8. INTEREST RECEIVABLE AND SIMILAR INCOME**

	<b>2015</b>	2014
	<b>£</b>	£
Interest receivable from group undertakings	<b>39,980</b>	41,634
	<u><b>39,980</b></u>	<u>41,634</u>

**9. INTEREST PAYABLE AND SIMILAR CHARGES**

	<b>2015</b>	2014
	<b>£</b>	£
Interest payable to group undertakings	<b>56,495</b>	55,078
	<u><b>56,495</b></u>	<u>55,078</u>

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**10. TAX ON PROFIT ON ORDINARY ACTIVITIES**

**(a) Analysis of tax charge in the year**

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
<b>Current tax:</b>		
<b>UK Taxation</b>		
In respect of the year		
UK Corporation tax based on the results for the year at 20.25% (2014 21.5%)	-	-
Adjustments in respect of previous years	<u>(1,047)</u>	<u>(1,325)</u>
	<b>(1,047)</b>	<b>(1,325)</b>
Group relief payable for losses surrendered from other group undertakings	<u>157,330</u>	<u>33,572</u>
	<b>156,283</b>	<b>32,247</b>
	<u>156,283</u>	<u>32,247</u>
<b>Foreign tax</b>		
Total current tax	<u><b>156,283</b></u>	<u><b>32,247</b></u>
<b>Deferred tax:</b>		
Origination and reversal of timing differences	344	(493)
Adjustments in respect of prior periods	<u>974</u>	<u>-</u>
Total deferred tax	<u>1,318</u>	<u>(493)</u>
Tax on profit on ordinary activities	<u><b>157,601</b></u>	<u><b>31,754</b></u>

	<b>2015</b>	<b>2015</b>	<b>2015</b>	<b>2014</b>	<b>2014</b>	<b>2014</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
	<b>Current Tax</b>	<b>Deferred Tax</b>	<b>Total Tax</b>	<b>Current Tax</b>	<b>Deferred Tax</b>	<b>Total Tax</b>
Recognised in Profit and loss	156,283	1,318	157,601	32,247	(493)	31,754
<b>Total Tax</b>	<u><b>156,283</b></u>	<u><b>1,318</b></u>	<u><b>157,601</b></u>	<u><b>32,247</b></u>	<u><b>(493)</b></u>	<u><b>31,754</b></u>



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**10. TAX ON PROFIT ON ORDINARY ACTIVITIES (continued)**

**(b) Factors affecting current tax charge**

The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 20.25% (2014 - 21.50%).

The Finance Act 2013 enacted reductions in the UK corporate tax rate to 21% from April 2014 and 20% from April 2015. Deferred tax assets and liabilities are measured at the rate that is expected to apply to the accounting period when the asset is realised or the liability is settled, based on the above rates.

	2015 £	2014 £
Profit on ordinary activities before taxation	<u>766,945</u>	<u>138,946</u>
Profit on ordinary activities at the standard rate of UK Corporation tax of 20.25% (2014: 21.50%)	155,306	29,873
Expenses not deductible for tax purposes	2,343	3,087
Adjustments in respect of previous periods	(73)	(1,325)
Impact of statutory rate change	<u>26</u>	<u>119</u>
Current tax charge for the financial year	<u>157,602</u>	<u>31,754</u>

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

The company has a total unutilised tax losses carried forward estimated at £Nil (2014 - £Nil), which may reduce future tax charges. No deferred tax asset has been recognised in respect of these losses due to uncertainty as to their future recoverability.

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**11. PROPERTY, PLANT & MACHINERY (TANGIBLE ASSETS)**

	<b>Leasehold Properties</b>	<b>Plant &amp; Machinery</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>COST</b>			
At 1 January 2015	43,508	431,648	475,156
Additions	-	1,935	1,935
<b>At 31 December 2015</b>	<b>43,508</b>	<b>433,583</b>	<b>477,091</b>
<b>DEPRECIATION</b>			
At 1 January 2015	43,508	412,484	455,992
Charge for the year	-	2,768	2,768
<b>At 31 December 2015</b>	<b>43,508</b>	<b>415,252</b>	<b>458,760</b>
<b>NET BOOK VALUE</b>			
<b>At 31 December 2015</b>	<b>-</b>	<b>18,331</b>	<b>18,331</b>
At 31 December 2014	-	19,165	19,164

**12. DEBTORS: Amounts due within one year**

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Trade debtors	633,787	51,754
Amounts owed by group undertakings	8,133,110	6,567,581
Corporation Tax	102,438	102,438
Other taxation and social security	65	65
Other debtors	1,411,218	3,375,477
Prepayments and accrued income	685,864	428,241
Deferred taxation (note 14)	262	1,580
	<b>10,966,744</b>	<b>10,527,136</b>

All amounts owed by group undertakings are unsecured and repayable on demand. Interest accrues on these amounts excluding group relief at rates between 1 month LIBOR and 1 month LIBOR plus 0.1%.

Included in other debtors is £1,347,009 (2014 - £2,058,986) relating to a bonus paid to directors that is recoupable by the company from the profit share entitlement of those directors.

**TRINFOLD MANAGEMENT LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**13. CREDITORS: Amounts falling due within one year**

	2015 £	2014 £
Amounts owed to group undertakings	9,336,517	9,321,530
VAT	14,021	197,198
Other creditors	-	-
Accruals and deferred income	20,101	57,620
	<u>9,370,639</u>	<u>9,576,347</u>

**14. DEFERRED TAXATION**

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

	2015 £	2014 £
Balance brought forward	1,580	1,087
Deferred taxation on ordinary activities account movement arising during the year	(1,318)	493
Provision carried forward	<u>262</u>	<u>1,580</u>

The movement for deferred taxation consists of the tax effect of timing differences in respect of:

	2015 £	2014 £
Excess of depreciation over taxation allowances	262	1,580
	<u>262</u>	<u>1,580</u>

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

	2015 £	2014 £
Included in debtors (note 12)	262	1,580

**TRINFOLD MANAGEMENT LIMITED**  
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**15. COMMITMENTS UNDER OPERATING LEASES**

At 31 December 2015 the company had future minimum lease payment commitments under non-cancellable operating leases as set out below.

	<b>Land and buildings</b>	
	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Operating leases which expire:		
Within 1 year	<b>104,520</b>	104,520
Within 2 to 5 years	<b>50,470</b>	154,990
	<b><u>154,990</u></b>	<b><u>259,510</u></b>

**16. POST BALANCE SHEET EVENT**

No post balance sheet events have been identified by management.

**17. CAPITAL COMMITMENTS**

The company had no capital commitments at 31 December 2015 or 31 December 2014.

**18. SHARE CAPITAL**

**Authorised:**

	<b>2015</b>		<b>2014</b>	
	<b>No</b>	<b>£</b>	<b>No</b>	<b>£</b>
Ordinary shares of £1 each	<b>100</b>	<b>100</b>	100	100
	<b><u>100</u></b>	<b><u>100</u></b>	<u>100</u>	<u>100</u>

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

	<b>2015</b>		<b>2014</b>	
	<b>No</b>	<b>£</b>	<b>No</b>	<b>£</b>
Ordinary shares of £1 each	<b>100</b>	<b>100</b>	100	100
	<b><u>100</u></b>	<b><u>100</u></b>	<u>100</u>	<u>100</u>

**TRINFOLD MANAGEMENT LIMITED**  
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**19. ULTIMATE PARENT COMPANY**

The immediate parent undertaking is Universal SRG Group Limited. The ultimate parent undertaking and controlling party is Vivendi SA, a company incorporated in France. The smallest and largest group in which the results of the company will be consolidated will be that headed by Vivendi SA, incorporated in France. Copies of its annual report in English may be obtained from:

Vivendi SA  
42 Avenue de Friedland  
75380 Paris  
Cedex 08  
France

**20. EXPLANATION OF TRANSITION TO FRS 102 FROM OLD UK GAAP**

As stated in note 2, these are the Company's first financial statements prepared in accordance with FRS 102.

The accounting policies set out in note 3 have been applied in preparing the financial statements for the year ended 31 December 2015 and the comparative information presented in these financial statements for the year ended 31 December 2014.

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.