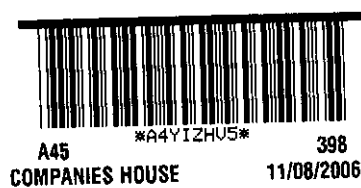


Trojan Three Limited

REPORT AND FINANCIAL STATEMENTS

year ended 30 September 2005



Trojan Three Limited

DIRECTORS AND OFFICERS

DIRECTORS

J Cokell
EJN Cook

COMPANY SECRETARY

SEA Standing

REGISTERED OFFICE

Sanctuary House
45-53 Sinclair Road
London W14 0NS

Trojan Three Limited

DIRECTORS' REPORT

The directors present their report together with the audited financial statements for the year ended 30 September 2005.

PRINCIPAL ACTIVITIES, REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS

The company operates as the holding company for the Trojan group of companies.

The company did not trade during the year.

DIRECTORS

The following directors have held office during the year:

J Cokell
EJN Cook
MJ Haxby (resigned 31 March 2006)
MD Miller (resigned 31 March 2006)

DIRECTORS' INTERESTS IN SHARES

There were no contracts of significance existing during the period or at the period-end in which a director of the company was materially interested.

Messrs Cokell and Miller were officers of the ultimate parent company, The Sanctuary Group plc. Their interests in the shares and options in that company are disclosed in its statutory accounts.

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

	Ordinary shares of 12.5p each	
	30.09.05	30.09.04
EJN Cook	-	-
MJ Haxby	289,720	289,720
Options over Ordinary shares of 12.5p each	30.09.05	30.09.04
EJN Cook	76,666	76,666
MJ Haxby	453,758	453,758

The Sanctuary Group plc held an Extraordinary General meeting on 17 March 2006 where all the resolutions put to shareholders in order to effect a Placing and Open Offer of 219,931,148 new Ordinary Shares of 50 pence per share, sub-division and consolidation of existing Ordinary Shares and an amendment to the borrowing powers of The Sanctuary Group plc as announced on 3 February 2006 were duly passed.

Trojan Three Limited

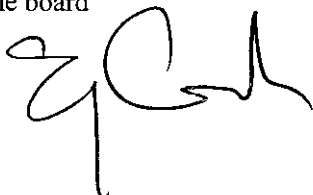
DIRECTORS' REPORT

AUDITORS

In accordance with Section 250 of the Companies Act 1985, as amended by the Companies Act 1989, the company, has resolved not to appoint auditors.

By order of the board

EJN Cook
Director



8 August 2006

Trojan Three Limited

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

Company law requires the Directors to prepare financial statements 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 financial statements, the directors are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and estimates that are reasonable and prudent;
- c. 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 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 financial statements comply with the requirements of 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.

Trojan Three Limited

BALANCE SHEET

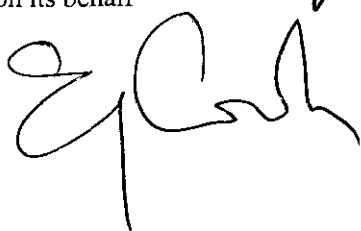
30 September 2005

	Notes	2005 £	2004 £
FIXED ASSETS			
Investments	1	10,000	10,000
TOTAL ASSETS		<u>10,000</u>	<u>10,000</u>
CAPITAL AND RESERVES			
Called up share capital	2	10,000	10,000
EQUITY SHAREHOLDERS' FUNDS	3	<u>10,000</u>	<u>10,000</u>

- (a) For the year ended 30 September 2005, the company was entitled to exemption under section 249AA(1) of the Companies Act 1985.
- (b) No notice has been deposited with the company under section 242B(2) of that Act requiring an audit to be carried out.
- (c) The directors acknowledge their responsibility for:
- Ensuring the company keeps accounting records which comply with section 221, Companies Act 1985; and
 - Preparing accounts which give a true and fair view of the state of affairs of the company as at the end of its financial year, and of its profit and loss for the financial year in accordance with section 226, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as applicable to the company.

Approved by the board on
and signed on its behalf

8 August 2006



EJN Cook
Director

Trojan Three Limited

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared on the historical cost basis of accounting, and in accordance with applicable Accounting Standards in the United Kingdom applied on a consistent basis.

GOING CONCERN

The company relies on the continued support of the ultimate parent company, The Sanctuary Group plc. On 20 March 2006, The Sanctuary Group plc successfully concluded a placing and open offer of new ordinary shares which resulted in raising £110,000,000 in cash (before expenses) and additionally a debt release of £35,000,000. The directors therefore consider that the support of The Sanctuary Group plc allows them to continue to adopt the going concern concept in preparing the financial statements.

CONSOLIDATED FINANCIAL STATEMENTS

In accordance with section 228 of the Companies Act 1985, consolidated financial statements are not prepared as the company is a wholly owned subsidiary undertaking of the ultimate parent company, The Sanctuary Group plc, which is incorporated in Great Britain. The Financial Statements present information about it as an individual undertaking and not its group.

CASHFLOW STATEMENT

The company is a wholly owned subsidiary of the immediate parent company The Sanctuary Group plc, and is included in the consolidated financial statements of The Sanctuary Group plc. Consequently, the company has taken advantage of the exemption from preparing a cashflow statement under the terms of Financial Reporting Standard 1 (revised 1996).

Trojan Three Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 2005

1 INVESTMENTS

	Cost £	Provision £	Net Book Value £
1 October 2004 and 30 September 2005	10,000	-	10,000

The company's investment in Trojan Recordings Limited is carried at the original cost less provision for diminution in value.

	Percentage of ordinary share capital held at 30 September 2005	Country of incorporation and principal country in which company operates
Trojan Recordings Limited	100%	Great Britain

All group companies incorporated in Great Britain are registered in England and Wales. All group companies operate in the entertainment industry.

2 SHARE CAPITAL

	2005 £	2004 £
Authorised: 10,000,000 ordinary shares of 0.1p each	10,000	10,000
Allotted, issued and fully paid: 10,000,000 ordinary shares of 0.1p each	10,000	10,000

3 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2005 £	2004 £
Opening shareholders' funds	10,000	10,000
Profit for the financial year	-	-
Closing shareholders' funds	10,000	10,000

4 CONTINGENT LIABILITIES

The company has guaranteed the bank indebtedness of The Sanctuary Group plc and certain fellow subsidiaries and has executed a charge over its assets in favour of the bank. At 30 September 2005 the total net borrowings of these companies amounted to £114,272,000 (2004: £68,222,000).

Trojan Three Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 2005

5 RELATED PARTY TRANSACTIONS

The company is a wholly owned subsidiary of the ultimate parent company, The Sanctuary Group plc, and is included in the consolidated financial statements of The Sanctuary Group plc, which are publicly available. The company has chosen to take advantage of the exemption in Financial Reporting Standard ('FRS') No. 8 which allows the financial statements of the subsidiary undertakings, 90% or more of whose voting rights are controlled within the group, not to disclose details of transactions that are part of the group.

There were no transactions with the ultimate parent company, The Sanctuary Group plc, or any other related party, which are required to be disclosed under Financial Reporting Standard No.8.

6 ULTIMATE PARENT COMPANY

The ultimate and immediate parent company and largest and smallest group to consolidate these financial statements is The Sanctuary Group plc, incorporated in the United Kingdom.

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