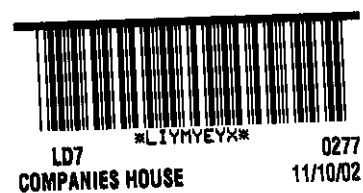


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Company Registration No. 1154197 (England and Wales)

TRINIFOLD MANAGEMENT LIMITED
DIRECTORS' REPORT AND ACCOUNTS
FOR THE YEAR ENDED 5 MARCH 2002



TRINIFOLD MANAGEMENT LIMITED

COMPANY INFORMATION

Directors	W.G. Curbishley R. N. Rosenberg
Secretary	R. N. Rosenberg
Company number	1154197
Registered office	Acre House 11-15 William Road London NW1 3ER
Business address	12 Oval Road Camden London NW1 7DH
Auditors	H W Fisher & Company Acre House 11-15 William Road London NW1 3ER

TRINFOLD MANAGEMENT LIMITED

CONTENTS

	Page
Directors' report	1
Statement of directors' responsibilities	2
Auditors' report	3
Profit and loss account	4
Balance sheet	5
Cash flow statement	6
Notes to the accounts	7 - 14

TRINFOLD MANAGEMENT LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 5 MARCH 2002

The directors present their report and accounts for the year ended 5 March 2002.

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 loss for the year after taxation amounted to £3,389.

The directors recommend payment of an ordinary dividend amounting to £275,000.

Directors and their interests

The directors at 5 March 2002 and their beneficial interests in the shares of the company were:

Ordinary shares of £ 1 each

	5 March 2002	6 March 2001
--	--------------	--------------

W.G. Curbishley	100	100
R. N. Rosenberg	-	-

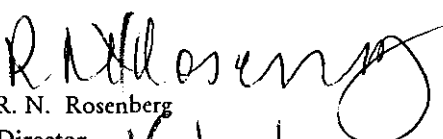
Charitable contributions

During the year the company made charitable donations of £9,800 (2001 : £8,391).

Auditors

A resolution proposing the reappointment of H W Fisher & Company as auditors will be put to the members at the next Annual General Meeting.

On behalf of the Board


R. N. Rosenberg
Director
Dated: 23/10/02

TRINIFOLD 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.

TRINFOLD MANAGEMENT LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS

We have audited the accounts of Trinifold Management Limited for the year ended 5 March 2002 set out on pages 4 to 14. These accounts have been prepared under the historical cost convention and the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

As described on page 2 the company's directors are responsible for the preparation of the accounts in accordance with applicable law and United Kingdom Accounting Standards.

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

We report to you our opinion as to whether the accounts 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 accounts, 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 is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 5 March 2002 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



H W Fisher & Company

Chartered Accountants
Registered Auditor
Acre House
11-15 William Road
London
NW1 3ER

Dated: 3 October 2002

TRINIFOLD MANAGEMENT LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 5 MARCH 2002

	Notes	2002 £	2001 £
Turnover	2	1,167,745	3,839,933
Administrative expenses		(1,226,894)	(3,740,615)
Operating (loss)/profit	3	(59,149)	99,318
Other income	6	69,952	33,059
Interest payable and similar charges	7	-	(7,294)
Profit on ordinary activities before taxation		10,803	125,083
Tax on profit on ordinary activities	8	(14,192)	(35,408)
(Loss)/profit on ordinary activities after taxation		(3,389)	89,675
Dividends	9	(275,000)	-
(Net deficit)/retained profit for the financial year		(278,389)	89,675
Retained profit brought forward		284,044	194,369
Retained profit carried forward		5,655	284,044

The profit and loss account has been prepared on the basis that all operations are continuing operations.

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

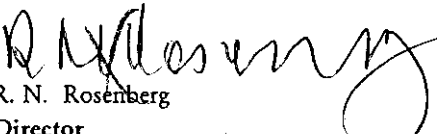
TRINIFOLD MANAGEMENT LIMITED

BALANCE SHEET AS AT 5 MARCH 2002

	Notes	2002 £	£	2001 £	£
Fixed assets					
Tangible assets	10		104,329		132,202
Current assets					
Debtors	11	584,651		887,915	
Cash at bank and in hand	12	198,738		1,356,617	
		<u>783,389</u>		<u>2,244,532</u>	
Creditors: amounts falling due within one year	13	<u>(881,963)</u>		<u>(2,092,590)</u>	
Net current (liabilities)/assets			<u>(98,574)</u>		<u>151,942</u>
Total assets less current liabilities			<u>5,755</u>		<u>284,144</u>
Capital and reserves					
Called up share capital	14		100		100
Profit and loss account			<u>5,655</u>		<u>284,044</u>
Shareholders' funds - all equity interests	15		<u>5,755</u>		<u>284,144</u>

The accounts were approved by the Board on

3/10/02


R. N. Rosenberg
Director

TRINIFOLD MANAGEMENT LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 5 MARCH 2002

	Notes	2002 £	2001 £
Net cash (outflow)/inflow from operating activities	16	(1,161,286)	928,706
Returns on investments and servicing of finance			
Interest received		24,952	21,515
Interest paid		-	(7,294)
Net cash inflow from returns on investments and servicing of finance		24,952	14,221
Corporation tax		(16,090)	6,315
Capital expenditure			
Payments to acquire tangible fixed assets		(5,455)	(7,878)
Net cash outflow from capital expenditure		(5,455)	(7,878)
(Decrease)/increase in cash	18	(1,157,879)	941,364

TRINIFOLD MANAGEMENT LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 5 MARCH 2002

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 profit and loss account.

2 Turnover

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

3 Operating (loss)/profit

	2002	2001
	£	£
Operating (loss)/profit is stated after charging:		
Depreciation of owned tangible fixed assets	33,328	41,169
Operating lease rentals		
- Plant and machinery	4,630	3,250
- Other assets	75,442	34,650
Auditors' remuneration	7,000	6,000

TRINFOLD MANAGEMENT LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 5 MARCH 2002

4 Directors' emoluments	2002	2001
	£	£
Aggregate emoluments	<u>393,388</u>	<u>2,361,652</u>
Emoluments disclosed above include the following amounts paid to the highest paid director:		
Aggregate emoluments	<u>257,030</u>	<u>2,196,298</u>
5 Employees		
Number of employees		
The average monthly number of employees during the year was:		
	2002 Number	2001 Number
Administration	<u>10</u>	<u>10</u>
Employment costs		
	£	£
Wages and salaries	528,999	2,511,269
Social security costs	<u>73,562</u>	<u>295,456</u>
	<u>602,561</u>	<u>2,806,725</u>
6 Other income	2002	2001
	£	£
Management fees receivable	45,000	-
Interest receivable and similar income	<u>24,952</u>	<u>33,059</u>
	<u>69,952</u>	<u>33,059</u>
7 Interest payable and similar charges	2002	2001
	£	£
Interest payable on:		
Late payment of tax	<u>-</u>	<u>7,294</u>

TRINIFOLD MANAGEMENT LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 5 MARCH 2002

8	Tax on profit on ordinary activities	2002	2001
	Analysis of charge in period	£	£
	Current taxation		
	U.K. Corporation tax at 20% (2001 - 22%)	11,772	35,408
	Prior years		
	U.K. Corporation tax	2,420	-
		<u>14,192</u>	<u>35,408</u>
	Tax on profit on ordinary activities	<u>14,192</u>	<u>35,408</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 20% (2001 - 22%) are explained below:

The tax assessed for the period is higher than the standard rate of corporation tax in the UK of 20% (2001 - 22%).

The differences are explained below:

	2002	2001
	£	£
Profit on ordinary activities before taxation	<u>10,803</u>	<u>125,083</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20% (2001 - 22%)	2,161	27,518
Effects of:		
Expenses not deductible for tax purposes	7,798	8,280
Depreciation add back	6,665	9,057
Capital allowances	(4,852)	(6,383)
Other tax adjustments	-	(3,064)
Current tax charge for the period	<u>11,772</u>	<u>35,408</u>

9	Dividends	2002	2001
		£	£
	Ordinary final proposed	<u>275,000</u>	<u>-</u>

TRINFOLD MANAGEMENT LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 5 MARCH 2002

10 Tangible fixed assets

	Leasehold improvements	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£
Cost				
At 6 March 2001	43,508	378,662	97,350	519,520
Additions	-	5,455	-	5,455
At 5 March 2002	43,508	384,117	97,350	524,975
Depreciation				
At 6 March 2001	21,756	309,283	56,279	387,318
Charge for the year	4,351	18,709	10,268	33,328
At 5 March 2002	26,107	327,992	66,547	420,646
Net book value				
At 5 March 2002	17,401	56,125	30,803	104,329
At 5 March 2001	21,752	69,379	41,071	132,202

11 Debtors

	2002 £	2001 £
Trade debtors	89,241	178,993
Amounts owed by connected companies	60,689	25,270
Other debtors	131,216	505,325
Prepayments and accrued income	303,505	178,327
	584,651	887,915

Amounts falling due after more than one year and included in the debtors above are:

	2002 £	2001 £
Other debtors falling due between one and two years	100,000	100,000

TRINIFOLD MANAGEMENT LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 5 MARCH 2002

12	Cash at bank and in hand	2002	2001
		£	£
	Bank and cash	194,125	1,353,947
	Clients designated bank accounts	4,613	2,670
		<u>198,738</u>	<u>1,356,617</u>
13	Creditors: amounts falling due within one year	2002	2001
		£	£
	Amounts owed to companies under common control	9,722	19,722
	Corporation tax	49,192	51,090
	Other taxes and social security costs	166,417	370,865
	Other creditors	-	797
	Accruals and deferred income	381,632	1,650,116
	Proposed dividend	275,000	-
		<u>881,963</u>	<u>2,092,590</u>
14	Share capital	2002	2001
		£	£
	Authorised		
	100 Ordinary shares of £ 1 each	<u>100</u>	<u>100</u>
	Allotted, called up and fully paid		
	100 Ordinary shares of £ 1 each	<u>100</u>	<u>100</u>
15	Reconciliation of movements in shareholders' funds	2002	2001
		£	£
	(Loss)/profit for the financial year	(3,389)	89,675
	Dividends	(275,000)	-
		<u>(278,389)</u>	<u>89,675</u>
	Net (depletion in)/addition to shareholders' funds	(278,389)	89,675
	Opening shareholders' funds	284,144	194,469
		<u>5,755</u>	<u>284,144</u>
	Closing shareholders' funds		

TRINIFOLD MANAGEMENT LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 5 MARCH 2002

16	Net cash (outflow)/inflow from operating activities	2002 £	2001 £
	Reconciliation to operating (loss)/profit:		
	Operating (loss)/profit	(14,149)	99,318
	Depreciation of tangible fixed assets	33,328	41,169
	Decrease/(increase) in debtors	303,264	(87,615)
	(Decrease)/Increase in creditors	(1,483,729)	875,834
		<u>(1,161,286)</u>	<u>928,706</u>

17	Reconciliation of net cash flow to movement in net funds	2002 £	2001 £
	(Decrease)/increase in cash	(1,157,879)	941,364
	Net funds at 6 March 2001	<u>1,356,617</u>	<u>415,253</u>
	Net funds at 5 March 2002	<u>198,738</u>	<u>1,356,617</u>

18	Analysis of net funds	At 6 March 2001 £	Cash flow £	At 5 March 2002 £
	Cash at bank and in hand	<u>1,356,617</u>	<u>(1,157,879)</u>	<u>198,738</u>
		<u>1,356,617</u>	<u>(1,157,879)</u>	<u>198,738</u>

19 Commitments under operating leases

At 5 March 2002 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	2002	2001
	£	£
Expiry date:		
In over five years	<u>84,000</u>	<u>84,000</u>

The company's leases of land and buildings are subject to periodic rent review.

TRINFOLD MANAGEMENT LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 5 MARCH 2002

19 Related party transactions

Included in Other debtors are the following loans to directors:

	Amount outstanding		Maximum liability in year
	2002	2001	
	£	£	£
R Rosenberg	3,982	3,276	3,982

The loan has since been repaid.

The Company is related to the following entities:

Estupendo Records Limited
Trinifold Music Limited
Estupendo Music Limited
Dapplestar Limited

W. Curbishley is a director and shareholder of each of the companies. R. Rosenberg is a director and shareholder of Trinifold Music Limited and Estupendo Records Limited and is a director of Estupendo Music Limited.

Transactions between the companies during the year were as follows:

	2002	2001
	£	£
Expenses incurred on behalf of Estupendo Records Limited	6,085	16,115
Expenses incurred by Estupendo Records Limited on behalf of the company	-	3,908
Cash received	4,200	29,375
	£	£
Payments made on behalf of Trinifold Music Limited	3,151	1,264
Repayment from Trinifold Music Limited	14,615	10,000
	£	£
Income received from Dapplestar Limited	-	14,700
	£	£
Management fee charged to Estupendo Records Limited	45,000	-
Repayment from Estupendo Music Limited	10,000	-

In addition to his directors remuneration, R. Rosenberg charged the company £46,000 (2001- £83,740) for the provision of consultancy and accountancy services.

At 5 March 2002 the following balances were outstanding debtors in respect of related parties:

	2002	2001
	£	£
Trinifold Music Limited	51	11,515
Estupendo Records Limited	60,638	13,753

TRINFOLD MANAGEMENT LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 5 MARCH 2002

At 5 March 2002 the following balances were outstanding creditors in respect of related parties:

	2002	2001
	£	£
Estupendo Music Limited	<u>9,722</u>	<u>19,722</u>

21 Controlling parties

The ultimate controlling party is W. Curbishley.