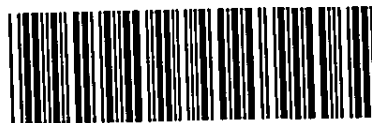


COMPANY REGISTRATION NUMBER 01154197

TRINIFOLD MANAGEMENT LIMITED
DIRECTORS' REPORT AND FINANCIAL
STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

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TRINIFOLD MANAGEMENT LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2010

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TRINIFOLD MANAGEMENT LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

THE BOARD OF DIRECTORS

WG Curbishley
RN Rosenberg
RM Constant
BJ Muir

COMPANY SECRETARY

A Abioye

REGISTERED OFFICE

1 Sussex Place
London
W6 9EA

AUDITORS

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

TRINFOLD MANAGEMENT LIMITED

DIRECTORS' REPORT

YEAR ENDED 31 DECEMBER 2010

The directors present their report and the financial statements of the company for the year ended 31 December 2010

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

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

RESULTS AND DIVIDENDS

The loss on ordinary activities before taxation for the period to 31 December 2010 was £384,029 (2009 - profit of £136,837)
The directors do not recommend the payment of a dividend

DIRECTORS

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

WG Curbishley
RN Rosenberg
RM Constant
BJ Muir

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 (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 period. In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and 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 and,
- 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
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

TRINFOLD MANAGEMENT LIMITED

DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2010

DONATIONS

During the year the company made the following contributions

	2010 £	2009 £
Charitable	<u>750</u>	<u>1,795</u>

AUDITOR

The auditors, Grant Thornton UK LLP are deemed to be reappointed in accordance with section 489 of the Companies Act 2006 by virtue of an elective resolution passed by the members

By order of the board



A Abioye
Company Secretary

31st March 2011

TRINIFOLD MANAGEMENT LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TRINIFOLD MANAGEMENT LIMITED

YEAR ENDED 31 DECEMBER 2010

We have audited the financial statements of Trinifold Management Limited for the year ended 31 December 2010 which comprise Profit and Loss Account, Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (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 AUDITORS

As explained more fully in the Directors' Responsibilities Statement set out on page 2, 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 (APB'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 APB's website at www.frc.org.uk/apb/scope/UKNP.

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 2010 and of its loss 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

TRINFOLD MANAGEMENT LIMITED

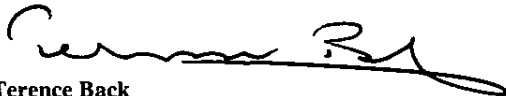
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TRINFOLD MANAGEMENT LIMITED *(continued)*

YEAR ENDED 31 DECEMBER 2010

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, or
- the directors were not entitled to prepare the financial statements and the directors' report in accordance with the small companies regime



Terence Back
Senior Statutory Auditor
For and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London

31 March 2011

Company Registration Number 01154197

TRINFOLD MANAGEMENT LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2010

	Note	2010 £	2009 £
TURNOVER	2	1,128,288	1,934,778
Cost of sales		<u>(142,952)</u>	<u>(135,768)</u>
GROSS PROFIT		985,336	1,799,010
Administrative expenses		<u>(1,369,365)</u>	<u>(1,662,173)</u>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(384,029)	136,837
Tax on (loss)/profit on ordinary activities	6	104,682	(40,198)
(LOSS)/PROFIT FOR THE FINANCIAL YEAR		<u>(279,347)</u>	<u>96,639</u>

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

The company has no recognised gains or losses other than the results for the year as set out above

The notes on pages 8 to 14 form part of these financial statements.

TRINFOLD MANAGEMENT LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2010

	Note	2010 £	£	2009 £	£
FIXED ASSETS					
Tangible assets	7		28,231		36,116
CURRENT ASSETS					
Debtors	8	8,669,605		9,069,093	
Cash at bank	10	58,290		60,487	
		<u>8,727,895</u>		<u>9,129,580</u>	
CREDITORS: Amounts falling due within one year	11	<u>161,560</u>		<u>291,783</u>	
NET CURRENT ASSETS			<u>8,566,335</u>		<u>8,837,797</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>8,594,566</u>		<u>8,873,913</u>
CAPITAL AND RESERVES					
Called-up equity share capital	13		100		100
Profit and loss account	14		<u>8,594,466</u>		<u>8,873,813</u>
EQUITY SHAREHOLDERS' FUNDS	14		<u>8,594,566</u>		<u>8,873,913</u>

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

31st March 2011



RM Constant

Company Registration Number 01154197

The notes on pages 8 to 14 form part of these financial statements

TRINIFOLD MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2010

1 ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards

The company is exempt by virtue of s 400 of the Companies Act 2006 from the requirement to prepare group accounts. These financial statements present information about the company as an individual undertaking and not about its group.

As the company is a wholly owned subsidiary of Vivendi SA, the company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group.

Cash flow statement

Under FRS 1 the company is exempt from the requirement to prepare a cash flow statement on the grounds that the ultimate parent undertaking includes the company in its own published consolidated financial statements.

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.

Fixed assets

All fixed assets are initially recorded at cost.

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 lease term
Motor Vehicles	-	25% reducing balance
Office Equipment	-	25% reducing balance

TRINIFOLD MANAGEMENT LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2010

1. ACCOUNTING POLICIES *(continued)*

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the profit and loss account on a straight line basis over the period of the lease

Taxation

The charge for taxation is based on the profit for the period and takes into account taxation deferred because of the timing differences between the treatment of certain items for taxation and accounting purposes

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 have occurred at that date that will result in an obligation to pay more tax in the future or a right to pay less tax in future have occurred

Timing differences are differences between the company's taxable profit and loss and its results as stated in the financial statements. No deferred tax is recognised on permanent differences

Deferred tax is measured at the average tax rates that are expected to apply in the period in which the timing differences are expected to reverse, based on tax rates and law that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis. Deferred tax assets are recognised only to the extent that it is considered more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

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

Operating (loss)/profit is stated after charging/(crediting)

	2010	2009
	£	£
Depreciation of owned fixed assets	5,096	6,624
Profit on disposal of fixed assets	(1,569)	–
Operating lease costs		
- Land and buildings	79,913	80,113
Auditor's remuneration	10,800	10,800
	<hr/>	<hr/>
	2010	2009
	£	£
Auditor's remuneration - audit of the financial statements	10,800	10,800
	<hr/>	<hr/>

TRINFOLD MANAGEMENT LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2010

4 PARTICULARS OF EMPLOYEES

The aggregate payroll costs of the above were

	2010 £	2009 £
Wages and salaries	931,493	905,051
Social security costs	113,640	432,679
Other pension costs	1,232	1,296
	<u>1,046,365</u>	<u>1,339,026</u>

5. DIRECTORS' REMUNERATION

The directors' aggregate remuneration in respect of qualifying services were

	2010 £	2009 £
Aggregate remuneration	<u>2,309,000</u>	<u>3,005,176</u>

Remuneration of highest paid director:

	2010 £	2009 £
Total remuneration (excluding pension contributions)	<u>1,883,000</u>	<u>1,882,438</u>

The emoluments of two directors (2009 - two) were paid and borne by other fellow group undertakings and they received no remuneration in respect of their services to the company

Four directors, one of whom was the highest paid director were not members of any retirement benefit schemes

Two of the directors received share options under the group's long term incentive grant scheme (2009 - nil) The amounts receivable to the directors under long term incentive schemes were £nil (2009 - £nil)

6 TAX ON PROFIT ON ORDINARY ACTIVITIES

(a) Analysis of (credit) / charge in the year

	2010 £	2009 £
Current tax		
UK Corporation tax on profit/loss for the year	-	-
Over/under provision in prior year	-	93
Group relief payable for losses surrendered from other group undertakings	(107,462)	37,752
Total current tax	<u>(107,462)</u>	<u>37,845</u>
Deferred tax		
Origination and reversal of timing differences (note 9)		
Capital allowances	2,780	2,353
Tax on (loss)/profit on ordinary activities	<u>(104,682)</u>	<u>40,198</u>

TRINFOLD MANAGEMENT LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2010

6 TAX ON PROFIT ON ORDINARY ACTIVITIES *(continued)*

(b) Factors affecting current tax charge

The tax assessed on the (loss)/profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 28% (2009 - 28%)

	2010 £	2009 £
(Loss)/profit on ordinary activities before taxation	(384,029)	136,837
(Loss)/profit on ordinary activities at the standard rate of UK		
Corporation tax of 28% (2009 - 28%)	(107,528)	38,314
Expenses not deductible for tax purposes	2,670	1,791
Adjustments to tax charge in respect of previous periods	-	93
Movement in timing differences	(2,780)	(2,353)
Impact of change in tax rate	176	-
Current tax (credit)/charge for the financial year	(107,462)	37,845

(c) Factors that may affect future tax charges

The company has total unutilised tax losses carried forward estimated at £13,440 (2009 - £13,440) which may reduce future tax charges

7. TANGIBLE FIXED ASSETS

	Leasehold Property £	Motor Vehicles £	Office Equipment £	Total £
COST				
At 1 January 2010	43,508	32,312	425,122	500,942
Additions	-	-	642	642
Disposals	-	(3,431)	-	(3,431)
At 31 December 2010	43,508	28,881	425,764	498,153
DEPRECIATION				
At 1 January 2010	43,508	28,653	392,665	464,826
Charge for the year	-	228	4,868	5,096
At 31 December 2010	43,508	28,881	397,533	469,922
NET BOOK VALUE				
At 31 December 2010	-	-	28,231	28,231
At 31 December 2009	-	3,659	32,457	36,116

TRINFOLD MANAGEMENT LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2010

8. DEBTORS

	2010 £	2009 £
Trade debtors	214,152	106,613
Amounts owed by group undertakings	4,181,049	4,770,138
Other debtors	3,460,531	3,460,083
Directors current accounts	103	-
Prepayments and accrued income	807,358	723,067
Deferred taxation (note 9)	6,412	9,192
	<u>8,669,605</u>	<u>9,069,093</u>

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 £3,458,986 (2009 - £3,458,986) relating to a bonus paid to directors that is recoupable by the company from the profit share entitlement of those directors.

9. DEFERRED TAXATION

The deferred tax included in the Balance sheet is as follows

	2010 £	2009 £
Included in debtors (note 8)	<u>6,412</u>	<u>9,192</u>

The movement in the deferred taxation account during the year was

	2010 £	2009 £
Balance brought forward	9,192	11,545
Profit and loss account movement arising during the year	<u>(2,780)</u>	<u>(2,353)</u>
Balance carried forward	<u>6,412</u>	<u>9,192</u>

The balance of the deferred taxation account consists of the tax effect of timing differences in respect of

	2010		2009	
	Provided £	Unprovided £	Provided £	Unprovided £
Excess of depreciation over taxation allowances	6,412	-	9,192	-
Tax losses available	-	3,662	-	3,763
	<u>6,412</u>	<u>3,662</u>	<u>9,192</u>	<u>3,763</u>

A number of changes to the UK Corporation tax system were introduced in the 2010 Finance Act. The UK Corporation tax rate will reduce to 27% effective 1 April 2011 and disclosure of deferred tax has been adjusted to reflect the enactment of the revised rate but with no significant impact on these financial statements.

TRINFOLD MANAGEMENT LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2010

10 CASH AT BANK

	2010 £	2009 £
Bank and cash	-	13,011
Clients designated bank accounts	58,290	47,476
	<u>58,290</u>	<u>60,487</u>

Cash held in client designated bank accounts is restricted and is not freely available for the general purposes of the company

11 CREDITORS. Amounts falling due within one year

	2010 £	2009 £
Overdrafts	5,155	-
PAYE and social security	47,445	114,219
VAT liability	48,306	35,830
Other creditors	47,208	106,899
Accruals and deferred income	13,446	34,835
	<u>161,560</u>	<u>291,783</u>

12. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2010 the company had annual commitments under non-cancellable operating leases as set out below

	Land and buildings 2010 £	2009 £
Operating leases which expire		
Within 1 year	33,333	-
Within 2 to 5 years	-	80,000
	<u>33,333</u>	<u>80,000</u>

13. SHARE CAPITAL

Authorised share capital.

	2010 £	2009 £
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

Allotted, called up and fully paid:

	2010 No	£	2009 No	£
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

TRINFOLD MANAGEMENT LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2010

14. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENT ON RESERVES

	Share capital £	Profit and loss account £	Total share- holders' funds £
Balance brought forward at 1 January 2009	100	8,777,174	8,777,274
Profit for the year	–	96,639	96,639
Balance brought forward at 1 January 2010	100	8,873,813	8,873,913
Loss for the year	–	(279,347)	(279,347)
Balance carried forward at 31 December 2010	100	8,594,466	8,594,566

15. ULTIMATE PARENT COMPANY

The immediate parent company is The Sanctuary Group Limited, a company incorporated and operating in England. 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