

TRINFOLD MANAGEMENT LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

FRIDAY



L67QVUT7

LD5

02/06/2017

#88

COMPANIES HOUSE

TRINIFOLD MANAGEMENT LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2016

CONTENTS	PAGES
Officers and professional advisers	1
Strategic report	2
Directors' report	3 to 4
Independent auditor's report to the members	5 to 6
Statement of comprehensive income	7
Statement of financial position	8
Statement of changes in equity	9
Notes to the financial statements	10 to 24

TRINFOLD MANAGEMENT LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

THE BOARD OF DIRECTORS

RM Constant
WG Curbishley
BJ Muir
RN Rosenberg
SL Carmel
P Jassal

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 2016

The directors present their strategic report for the company for the year ended 31 December 2016.

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 2016 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 £970k (2015 - profit £609k). The retained profit for the year has been transferred to reserves.

Interim dividend of £1m was declared and paid during the year ended 31 December 2016 (2015- £Nil). The directors do not recommend payment of a final dividend.

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



P Jassal
Director

1/6/17

TRINFOLD MANAGEMENT LIMITED

DIRECTORS' REPORT

YEAR ENDED 31 DECEMBER 2016

The directors present their report, the strategic report and the financial statements of the company for the year ended 31 December 2016.

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
SL Carmel
P Jassal

A Brown resigned as a director on 31 March 2017.

SL Carmel was appointed as a director on 31 March 2017.

P Jassal was appointed as a director on 18 May 2017.

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.

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 in the strategic report.

The company has significant net assets. 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 adopt the going concern basis in preparing the financial statements.

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:

	2016 £	2015 £
Charitable	5,450	10,687
	<u>5,450</u>	<u>10,687</u>

TRINFOLD MANAGEMENT LIMITED

DIRECTORS' REPORT (continued)

YEAR ENDED 31 DECEMBER 2016

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.

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with Section 485 of the Companies Act 2006.

By order of the board

 1/6/17

A Abioye

Company Secretary

Company Registration Number: 01154197

TRINFOLD MANAGEMENT LIMITED

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

YEAR ENDED 31 DECEMBER 2016

We have audited the financial statements of Trifold Management Limited for the year ended 31 December 2016 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity 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), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

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 page 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.

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 2016 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, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Strategic Report and Directors' Report has been prepared in accordance with applicable legal requirements.

MATTER ON WHICH WE ARE REQUIRED TO REPORT UNDER THE COMPANIES ACT 2006

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic Report and Directors' Report.

TRINFOLD MANAGEMENT LIMITED

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

YEAR ENDED 31 DECEMBER 2016

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
Statutory Auditor, Chartered Accountants
London

11/6/17

Company Registration Number: 01154197

TRINFOLD MANAGEMENT LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2016

	Note	Total 2016 £	Total 2015 £
TURNOVER	4	4,730,562	3,466,885
Cost of sales		(1,509,662)	(888,343)
GROSS PROFIT		3,220,900	2,578,542
Administrative expenses		(1,998,841)	(1,795,083)
OPERATING PROFIT	5	1,222,059	783,460
Interest receivable and similar income	8	43,509	39,980
Interest payable and similar charges	9	(48,960)	(56,495)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,216,608	766,945
Tax on profit on ordinary activities	10	(246,579)	(157,601)
PROFIT FOR THE FINANCIAL YEAR		970,029	609,344
Other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		970,029	609,344


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

The notes on pages 10 to 24 form part of these financial statements.

TRINFOLD MANAGEMENT LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016

	Note	2016 £	2015 £
FIXED ASSETS			
Property, plant & equipment	11	15,581	18,331
		15,581	18,331
CURRENT ASSETS			
Debtors: Amounts falling due within one year	12	11,839,864	10,966,744
Cash at bank		46,920	26,404
		11,886,784	10,993,148
CREDITORS: Amounts falling due within one year	13	(10,291,496)	(9,370,639)
NET CURRENT ASSETS		1,595,288	1,622,509
TOTAL ASSETS LESS CURRENT LIABILITIES		1,595,288	1,640,840
NET ASSETS		1,610,869	1,640,840
CAPITAL AND RESERVES			
Called-up equity share capital	19	100	100
Profit and loss account		1,610,769	1,640,740
EQUITY SHAREHOLDERS' FUNDS		1,610,869	1,640,840

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

 1/6/17
P Jassal
Director

Registered number: 01154197

The notes on pages 10 to 24 form part of these financial statements.

TRINIFOLD MANAGEMENT LIMITED
STATEMENT OF CHANGES IN EQUITY
YEAR ENDED 31 DECEMBER 2016

	Share capital £	Profit & Loss Account £	Total share-holders' funds £
Balance at 1 January 2015	100	1,031,396	1,031,496
Total comprehensive income for the period			
Profit for the year	-	609,344	609,344
Balance carried forward at 31 December 2015	100	1,640,740	1,640,840
Balance at 1 January 2016	100	1,640,740	1,640,840
Total comprehensive income for the period			
Profit for the year	-	970,029	970,029
Dividend paid (note 15)	-	(1,000,000)	(1,000,000)
Balance carried forward at 31 December 2016	100	1,610,769	1,610,869

The notes on pages 10 to 24 form part of these financial statements.

TRINFOLD MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2016

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

The company's financial statements have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

3. ACCOUNTING POLICIES

Basis of preparation of financial statements

These financial statements have been prepared on a going concern basis, under the historical cost convention. The financial statements are prepared in £, which is the functional currency of the company, and have been rounded to the nearest £.

FRS 102 - Qualifying exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102:

- from preparing a statement of cash flows and related notes;
- from preparing a reconciliation of the number of shares outstanding from the beginning to the end of the financial year;
- from disclosing related party transactions;
- from disclosing key management personnel compensation;
- from certain financial instrument disclosures required by FRS 102.11 *Basic Financial Instruments* and FRS 102.12 *Other Financial Instruments*;

This information is included in the consolidated financial statements of the company's ultimate parent undertaking, Vivendi SA, copies of which can be obtained from 42 Avenue de Friedland, 75380 Paris, Cedex 08, France.

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.

TRINFOLD MANAGEMENT LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2016

3. ACCOUNTING POLICIES (continued)

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 2016

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.

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.

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 arm's 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.

TRINFOLD MANAGEMENT LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2016

3. ACCOUNTING POLICIES (continued)

Cash and cash equivalents

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

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.

TRINFOLD MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2016

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 102 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 Trifold Management Limited alone.

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. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

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 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.

TRINIFOLD MANAGEMENT LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2016

3. ACCOUNTING POLICIES (continued)

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in profit or loss 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.

TRINFOLD MANAGEMENT LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2016

4. TURNOVER

Turnover by activity is as follows:

	2016 £	2015 £
Royalties	306,493	263,479
Touring income	4,424,069	3,203,406
	<u>4,730,562</u>	<u>3,466,885</u>

Turnover by source is exclusively derived in the United Kingdom.

5. OPERATING PROFIT

Operating profit is stated after charging:

	2016 £	2015 £
Depreciation of owned fixed assets	2,750	2,768
Auditor's remuneration	15,500	15,000
Operating lease costs:		
- Land and buildings	121,227	121,696
Net loss on foreign currency translation	<u>14,265</u>	<u>46,401</u>

TRINFOLD MANAGEMENT LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2016

6. PARTICULARS OF EMPLOYEES

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

	2016 No	2015 No
Number of administrative staff	<u>9</u>	<u>8</u>

The aggregate payroll costs of the above were:

	2016 £	2015 £
Wages and salaries	1,060,173	1,052,585
Social security costs	246,211	137,540
Other pension costs	17,855	6,650
	<u>1,324,239</u>	<u>1,196,775</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:

	2016 £	2015 £
Remuneration receivable	1,999,882	1,502,367
	<u>1,999,882</u>	<u>1,502,367</u>

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

Retirement benefits are accruing to one director (2015: one) under the Universal defined contribution section of the Universal Music Group Pension Scheme (UMGPS) and the Group Personal Pension (GPP) arrangement.

Four directors (2015: four) were not members of any retirement benefit schemes.
One of these was the highest paid director.

The emoluments of three directors (2015 : three) were paid and borne by other fellow group undertakings and they received no remuneration in respect of their services to the company.

TRINFOLD MANAGEMENT LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2016

7. DIRECTORS' REMUNERATION (continued)

Remuneration of highest paid director:

	2016 £	2015 £
Total remuneration (excluding pension contributions)	1,365,216	995,067
	<u>1,365,216</u>	<u>995,067</u>

None of the directors received share options under the group's long term incentive grant scheme (2015 : none). The amounts receivable to the directors under long term incentive schemes were £Nil (2015 : £Nil).

8. INTEREST RECEIVABLE AND SIMILAR INCOME

	2016 £	2015 £
Interest receivable from group undertakings	43,509	39,980
	<u>43,509</u>	<u>39,980</u>

9. INTEREST PAYABLE AND SIMILAR CHARGES

	2016 £	2015 £
Interest payable to group undertakings	48,960	56,495
	<u>48,960</u>	<u>56,495</u>

TRINFOLD MANAGEMENT LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2016

10. TAX ON PROFIT ON ORDINARY ACTIVITIES

(a) Analysis of tax charge in the year

	2016 £	2015 £
Current tax:		
UK Taxation		
In respect of the year		
Adjustments in respect of previous years	-	(1,047)
	-	(1,047)
Group relief payable for losses surrendered from other group undertakings	246,426	157,330
	246,426	156,283
Total current tax	246,426	156,283
Deferred tax:		
Origination and reversal of timing differences	153	344
Adjustments in respect of prior periods	-	974
Total deferred tax	153	1,318
Tax on profit on ordinary activities	246,579	157,601

	2016 £	2016 £	2016 £	2015 £	2015 £	2015 £
	Current Tax	Deferred Tax	Total Tax	Current Tax	Deferred Tax	Total Tax
Recognised in Profit and loss	246,426	153	246,579	156,283	1,318	157,601
Total Tax	246,426	153	246,579	156,283	1,318	157,601

TRINFOLD MANAGEMENT LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2016

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 20.00% (2015 - 20.25%).

Under the Finance (No. 2) Act 2015, the main rate of corporation tax will be reduced from 20% to 19% effective from 1 April 2017. A further reduction to 17% from 1 April 2020 will apply by virtue of the Finance Act 2016 s46 which was enacted on 15 September 2016. Deferred tax assets and liabilities are measured at the rate expected to apply to the accounting period when the asset is realised or the liability is settled, based on the above rates.

	2016 £	2015 £
Profit on ordinary activities before taxation	1,216,608	766,945
Profit on ordinary activities at the standard rate of UK Corporation tax of 20.00% (2015: 20.25%)	243,322	155,306
Expenses not deductible for tax purposes	3,267	2,343
Adjustments in respect of previous periods	-	(73)
Impact of statutory rate change	(10)	26
Current tax charge for the financial year	246,579	157,602

(c) Factors that may affect future tax charges

The company has a total unutilised tax losses carried forward estimated at £Nil (2015 - £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.

TRINFOLD MANAGEMENT LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2016

11. PROPERTY, PLANT & MACHINERY (TANGIBLE ASSETS)

	Leasehold Properties	Office Equipment	Total
	£	£	£
COST			
At 1 January 2016	43,508	433,583	477,091
At 31 December 2016	43,508	433,583	477,091
DEPRECIATION			
At 1 January 2016	43,508	415,252	458,760
Charge for the year	-	2,750	2,750
At 31 December 2016	43,508	418,002	461,510
NET BOOK VALUE			
At 31 December 2016	-	15,581	15,581
At 31 December 2015	-	18,331	18,331

12. DEBTORS: Amounts due within one year

	2016	2015
	£	£
Trade debtors	801,274	633,787
Amounts owed by group undertakings	9,437,742	8,133,110
Corporation Tax	-	102,438
Other taxation and social security	-	65
Other debtors	1,029,938	1,411,218
Prepayments and accrued income	570,801	685,864
Deferred taxation (note 14)	109	262
	11,839,864	10,966,744

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 £992,767 (2015 - £1,347,009) 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
YEAR ENDED 31 DECEMBER 2016

13. CREDITORS: Amounts falling due within one year

	2016 £	2015 £
Amounts owed to group undertakings	10,228,615	9,336,517
Corporation tax	1,574	-
VAT	26,208	14,021
Accruals and deferred income	35,099	20,101
	<u>10,291,496</u>	<u>9,370,639</u>

14. DEFERRED TAXATION

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

	2016 £	2015 £
Balance brought forward	262	1,580
Deferred taxation on ordinary activities account movement arising during the year	(153)	(1,318)
Provision carried forward	<u>109</u>	<u>262</u>

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

	2016 £	2015 £
Excess of depreciation over taxation allowances	109	262
	<u>109</u>	<u>262</u>

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

	2016 £	2015 £
Included in debtors (note 12)	<u>109</u>	<u>262</u>

15. DIVIDENDS

During the year the company paid a dividend of £1,000,000 by assignment of intercompany receivable, to the immediate parent undertaking, Universal SRG Group Limited.

TRINFOLD MANAGEMENT LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2016

16. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2016 the company had future minimum lease payments under non-cancellable operating leases as set out below.

	Land and buildings	
	2016	2015
	£	£
Operating leases which expire:		
Within 1 year	50,470	104,520
Within 2 to 5 years	-	50,470
	<u>50,470</u>	<u>154,990</u>

17. POST BALANCE SHEET EVENT

No post balance sheet events have been identified by management.

18. CAPITAL COMMITMENTS

The company had no capital commitments at 31 December 2016 or 31 December 2015.

19. SHARE CAPITAL

Authorised:

	2016		2015	
	No	£	No	£
Ordinary shares of £1 each	100	100	100	100
	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

Allotted, called up and fully paid:

	2016		2015	
	No	£	No	£
Ordinary shares of £1 each	100	100	100	100
	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

TRINFOLD MANAGEMENT LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2016

20. ULTIMATE PARENT COMPANY

The immediate parent undertaking is Universal SRG Group Limited. The ultimate parent undertaking and controlling party as at 31 December 2016 was 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

On 25 April 2017 Bolloré Group became the ultimate parent undertaking and controlling party.