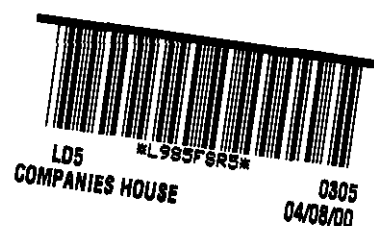


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Company Registration No. 1154197 (England and Wales)

REGISTRAR'S COPY . Please return to H. W. Fisher & CO.

**TRINIFOLD MANAGEMENT LIMITED
DIRECTORS' REPORT AND ACCOUNTS
FOR THE YEAR ENDED 5 MARCH 1999**



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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

TRINIFOLD MANAGEMENT LIMITED

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TRINFOLD MANAGEMENT LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 5 MARCH 1999

The directors present their report and accounts for the year ended 5 March 1999.

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 profit for the year after taxation amounted to £94,853.

Year 2000 compliance

The company's operations have not been significantly affected by malfunctions in computer or other equipment arising from errors in processing dates in the year 2000. The directors have considered whether there remains a risk that such problems may still arise. No part of the company's current operations are critically dependent on computer or other equipment which could be affected by year 2000 problems.

Directors and their interests

The directors at 5 March 1999 and their beneficial interests in the shares of the company were:

	Ordinary shares of £1 each	
	5 March 1999	6 March 1998
W.G. Curbishley	100	100
R. N. Rosenberg	-	-

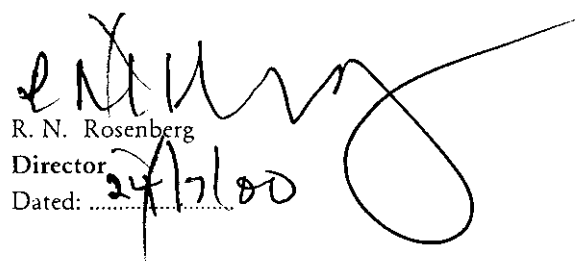
Charitable contributions

During the year the company made charitable donations of £22,147 (1998 : £5,898).

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: 24/7/00

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

AUDITORS' REPORT TO THE SHAREHOLDERS

We have audited the accounts on pages 4 to 11 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

As described on page 2 the company's directors are responsible for the preparation of accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

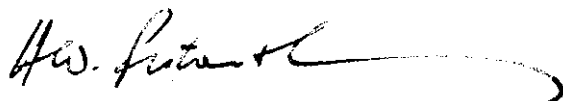
Basis of opinion

We conducted our audit in accordance with 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 1999 and of its profit 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:

31/12/2000

TRINIFOLD MANAGEMENT LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 5 MARCH 1999

	Notes	1999 £	1998 £
Turnover	2	2,875,063	2,889,036
Administrative expenses		(2,810,737)	(2,970,408)
Operating profit/(loss)	3	64,326	(81,372)
Other income	6	31,856	65,140
Interest payable and similar charges	7	(108)	(546)
Profit/(loss) on ordinary activities before taxation		96,074	(16,778)
Tax on profit/(loss) on ordinary activities	8	(1,221)	(45,634)
Profit/(loss) on ordinary activities after taxation		94,853	(62,412)
Retained profit brought forward		88,727	151,139
Retained profit carried forward		183,580	88,727

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

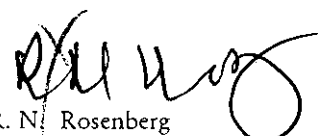
There are no recognised gains and losses other than those passing through the profit and loss account.

TRINFOLD MANAGEMENT LIMITED

BALANCE SHEET AS AT 5 MARCH 1999

	Notes	1999 £	£	1998 £	£
Fixed assets					
Tangible assets	9		207,040		165,836
Current assets					
Debtors	10	458,468		1,272,398	
Cash at bank and in hand	11	1,376,443		196,797	
		<u>1,834,911</u>		<u>1,469,195</u>	
Creditors: amounts falling due within one year	12	<u>(1,858,271)</u>		<u>(1,546,204)</u>	
Net current liabilities			<u>(23,360)</u>		<u>(77,009)</u>
Total assets less current liabilities			<u>183,680</u>		<u>88,827</u>
Capital and reserves					
Called up share capital	13		100		100
Profit and loss account			<u>183,580</u>		<u>88,727</u>
Shareholders' funds - all equity interests	14		<u>183,680</u>		<u>88,827</u>

The accounts were approved by the Board on 24/7/00


R. N. Rosenberg
Director

TRINIFOLD MANAGEMENT LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 5 MARCH 1999

1 Accounting policies

1.1 Basis of preparation

The accounts have been prepared under the historical cost convention.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

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 profit/(loss)	1999	1998
	£	£
Operating profit/(loss) is stated after charging:		
Depreciation of owned tangible fixed assets	63,214	48,028
Operating lease rentals		
- Plant and machinery	841	1,318
Auditors' remuneration	5,000	5,000

TRINFOLD MANAGEMENT LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 5 MARCH 1999

4	Directors' emoluments	1999	1998
		£	£
	Aggregate emoluments	<u>1,733,873</u>	<u>1,643,879</u>
	Emoluments disclosed above include the following amounts paid to the highest paid director:		
	Aggregate emoluments	<u>1,702,441</u>	<u>1,612,586</u>
5	Employees		
	Number of employees		
	The average monthly number of employees during the year was:		
		1999	1998
		Number	Number
	Administration	<u>9</u>	<u>10</u>
	Employment costs		
		£	£
	Wages and salaries	<u>1,861,072</u>	<u>1,793,651</u>
	Social security costs	<u>217,234</u>	<u>202,646</u>
		<u>2,078,306</u>	<u>1,996,297</u>
6	Other income	1999	1998
		£	£
	Management charge receivable	-	50,000
	Interest receivable and similar income	<u>31,856</u>	<u>15,140</u>
		<u>31,856</u>	<u>65,140</u>

TRINIFOLD MANAGEMENT LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 5 MARCH 1999

7	Interest payable and similar charges	1999	1998
		£	£
	Interest payable on:		
	Bank loans and overdrafts	-	210
	Late payment of tax	108	336
		<u>108</u>	<u>546</u>
8	Tax on profit/(loss) on ordinary activities	1999	1998
		£	£
	U.K. Current year taxation		
	U.K. Corporation tax at 21% (1998 - 21%)	11,252	10,031
	Deferred taxation	-	36,615
		<u>11,252</u>	<u>46,646</u>
	Prior years		
	U.K. Corporation tax	(10,031)	(1,012)
		<u>1,221</u>	<u>45,634</u>

TRINFOLD MANAGEMENT LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 5 MARCH 1999

9 Tangible fixed assets

	Leasehold improvements	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£
Cost				
At 6 March 1998	43,508	352,924	18,570	415,002
Additions	-	13,596	97,350	110,946
Disposals	-	-	(18,570)	(18,570)
At 5 March 1999	43,508	366,520	97,350	507,378
Depreciation				
At 6 March 1998	8,703	228,421	12,042	249,166
On disposals	-	-	(12,042)	(12,042)
Charge for the year	4,351	34,525	24,338	63,214
At 5 March 1999	13,054	262,946	24,338	300,338
Net book value				
At 5 March 1999	30,454	103,574	73,012	207,040
At 5 March 1998	34,805	124,503	6,528	165,836

10 Debtors

	1999	1998
	£	£
Trade debtors	146,811	99,529
Amounts owed by connected company	114,602	67,826
Corporation tax	17,000	-
Other debtors	53,379	58,393
Prepayments and accrued income	126,676	1,046,650
	458,468	1,272,398

11 Cash at bank and in hand

	1999	1998
	£	£
Bank and cash	1,375,359	191,162
Clients designated bank accounts	1,084	5,635
	1,376,443	196,797

TRINFOLD MANAGEMENT LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 5 MARCH 1999

12 Creditors: amounts falling due within one year	1999	1998
	£	£
Amounts owed to companies under common control	2,722	6,879
Corporation tax	11,252	13,055
Other taxes and social security costs	178,604	838,049
Directors current account	7,459	542,846
Other creditors	3,039	7,187
Accruals and deferred income	1,655,195	138,188
	<u>1,858,271</u>	<u>1,546,204</u>

13 Share capital	1999	1998
	£	£
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>

14 Reconciliation of movements in shareholders' funds	1999	1998
	£	£
Profit/(loss) for the financial year	94,853	(62,412)
Opening shareholders' funds	<u>88,827</u>	<u>151,239</u>
Closing shareholders' funds	<u>183,680</u>	<u>88,827</u>

15 Commitments under operating leases

At 5 March 1999 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	1999	1998
	£	£
Expiry date:		
In over five years	<u>34,650</u>	<u>34,650</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 1999

16 Related party transactions

Included in Other debtors is the following loan to a director:

	Amount outstanding		Maximum liability in year
	1999	1998	
	£	£	£
R. Rosenberg	2,313	2,365	2,554

Additionally, on the 5 March 1999, amounts owed to W. Curbishley amounted to £7,459.

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:

	£
Payments made on behalf of Trinifold Music Limited	33,293
Income collected on behalf of Trinifold Music Limited	4,745
Expenses recharged by the company to Estupendo Music Limited	4,157

Additionally, R. Rosenberg charged the company £100,000 for the provision of consultancy and accountancy services.

At 5 March 1999 the following balances were outstanding debtors in respect of related parties:

	£
Trinifold Music Limited	96,374
Dapplestar Limited	5,678
Estupendo Records Limited	30,377

At 5 March 1999 the following balances were outstanding creditors in respect of related parties:

	£
Estupendo Music Limited	2,722