

**IMET (21) LIMITED****DIRECTORS' REPORT**

The Directors present their report and the accounts for the year ended 31 March 1997.

Results and Dividends

The Company did not trade during the year and made neither a profit nor a loss. The Directors do not recommend payment of a dividend. There are no plans for the Company to commence trading within the foreseeable future.

Directors and their Interests

The Directors throughout the year were as follows:

S M Cottis	(appointed 19.08.1996)
M R Cox	(resigned 19.08.1996)
G Gitter	
R J Walter	(resigned 19.08.1996)

No Director had any interest in the shares of the Company at any time during the year.

The interests of the Directors in the share capital of EMI Group plc, the ultimate parent undertaking, at the year end were as follows:

	<u>Ordinary Shares</u>		<u>Options*</u>			
	1/4/96 @	31/3/97	1/4/96 @	Granted # During the Year	Exercised / Renounced 31/3/97	
S M Cottis	1,224	1,224	-	1,850	-	1,850
G Gitter	1,986	7,997	42,143	5,448	37,143	10,448

\* Options over Ordinary Shares are granted under Savings-Related and Executive Share Option Schemes.

# Includes adjustments on demerger.

@ or at subsequent date of appointment.



Directors Report Continued

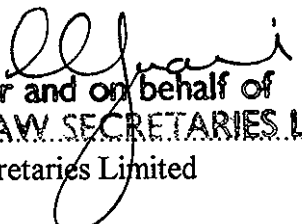
Directors' and Officers' Liability Insurance

The ultimate parent undertaking, EMI Group plc, has maintained insurance to cover Directors' and Officers' liability as permitted by Section 310(3) of the Companies Act 1985.

Auditors

In accordance with Section 388(A) of the Companies Act 1985 the Company is exempt from the obligation to appoint auditors.

By Order of the Board.

  
For and on behalf of  
.....MAWLAW SECRETARIES LTD  
Mawlaw Secretaries Limited  
Secretary

Date: 8 September 1997

Registered Office  
4 Tenterden Street  
London  
W1A 2AY

**STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS**

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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors confirm that the accounts comply with the above requirements.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and 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.

**IMET (21) LIMITED**

**BALANCE SHEET - 31 MARCH 1997**

	Note	1997 £	1996 £
<b>CURRENT ASSETS: DEBTORS</b>			
<b>AMOUNTS FALLING DUE WITHIN ONE YEAR</b>			
Amount owed by parent undertaking		100,000	100,000
		<hr/>	<hr/>
		100,000	100,000
		<hr/>	<hr/>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	2	100,000	100,000
		<hr/>	<hr/>
		100,000	100,000
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The Company was dormant (within the meaning of Section 250 of the Companies Act 1985), throughout the year ended 31 March 1997.

*Sm Cottis*

)  
) Director(s)  
) 8.9.97

## IMET (21) LIMITED

### NOTES TO THE ACCOUNTS

#### 1. BASIS OF ACCOUNTING

The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards.

#### 2. SHARE CAPITAL

	1997 £	1996 £
Authorised,alloted, called up and fully paid		
4,000 ordinary shares of £10 each	40,000	40,000
6,000 preference shares of £10 each	60,000	60,000
	<hr/>	<hr/>
	100,000	100,000
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The dividend due on the preference shares has been waived.

##### Rights of non-equity shares

- i) The preference shares are preferential as to capital and entitled to dividend up to 6% in each year before any dividend is payable on the Ordinary Shares (but not cumulative).
- ii) The preference shares are entitled to rank equally with the ordinary shares for dividends beyond 6%.
- iii) The consent of a Meeting of Preference Shareholders is required before new shares with any preference or priority over or ranking equally with the Preference Shares are issued.
- iv) The consent of a meeting of preference shareholders is required before the rights attached to the preference shares are otherwise infringed.

#### 3. DIRECTORS' EMOLUMENTS

No Director received any remuneration during the year in respect of his/her services to the Company.

#### 4. PARENT UNDERTAKING

The parent undertaking of the group of undertakings for which group accounts are drawn up and of which the company is a member is EMI Group plc, which is the ultimate parent undertaking registered in England and Wales. Copies of EMI Group plc's accounts can be obtained from EMI Group plc, 4 Tenterden Street, Hanover Square, London W1A 2AY, England.