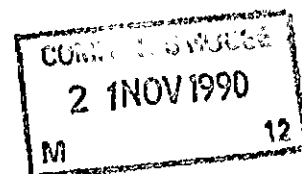


335444

Directors' Report and Accounts

THORN EMI INTERNATIONAL HOLDINGS LIMITED

31 March 1990



THORN EMI INTERNATIONAL HOLDINGS LIMITED

Report of the Directors for the year ended 31st March 1990

Directors

The following persons held office as Directors of the Company during the year:

Mr D T Smith	Resigned 23 February 1990
Mr R Charlton	Throughout the year
Mr M E Metcalf	Throughout the year
Mr G Gitter	Appointed 20 June 1989
Mr W R Murray	Appointed 23 February 1990
Mrs P M Scott	Appointed 23 February 1990

RESULTS

The Company received dividends from overseas subsidiaries, which together with profits on exchange balances gave a profit for the year of £47,932,000. a dividend of £47,997,000. was distributed as a dividend on 31 March 1990

Activities

The Company is an intermediate holding company for certain overseas subsidiaries of THORN EMI plc

Directors' Interests

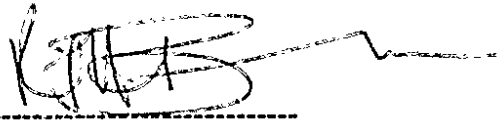
The interests of the Directors as at 31 March 1990 (and 1 April 1989 or subsequent date of appointment) in THORN EMI plc were as follows:-

	<u>Ordinary Shares</u>	<u>THORN EMI plc Options over Ordinary Shares</u>
Mr R Charlton	2,051 (4,000)	69,174 (59,555)
Mr M E Metcalf	-- (--)	68,384 (67,145)
Mr G Gitter	-- (--)	14,358 (--)
Mr W R Murray	-- (--)	26,120 (26,120)
Mrs P M Scott	-- (--)	48,034 (48,034)

Auditors

Ernst & Whinney merged their practice with Arthur Young on 1 September 1989 and now practise in the name of Ernst & Young. Accordingly, they have signed their audit report in their new name. Ernst & Young have expressed their willingness to continue in office and a Resolution proposing their re-appointment and authorising the Directors to fix their remuneration will be put to the Annual General Meeting..

BY ORDER OF THE BOARD



Miss R J A Benke
Secretary

4 Tenterden Street
London
W1A 2AY

Date 14th August 1990

REPORT OF THE AUDITORS TO THE MEMBERS OF THORN EMI INTERNATIONAL HOLDINGS
LIMITED

We have audited the accounts set out on pages 4 to 7 in accordance
with Auditing Standards.

In our opinion the accounts give a true and fair view of the state
of affairs of the company at 31 March 1990 and of the profit for the
year then ended and have been properly prepared in accordance with
the Companies Act 1985.

The company has not complied with the requirement of Statement of
Standard Accounting Practice No.10 in that it has not presented a
Source and Application of Funds Statement.

Ernst & Young
Ernst & Young

Chartered Accountants

London

14 AUG 1990

THORN EMI INTERNATIONAL HOLDINGS LIMITED

PROFIT AND LOSS ACCOUNT - 31 MARCH 1990

	Notes	1990 £000	1989 £000
Administration Expenses		(182)	(108)
Other Operating Income	1	48,327	27,199
OPERATING PROFIT		48,145	27,091
Interest		(4)	-
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		48,141	27,091
Taxation	2	(209)	(97)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		47,932	26,994
Extraordinary item	3	16	-
PROFIT FOR THE FINANCIAL YEAR		47,948	26,994
Dividend		(47,997)	(29,077)
TRANSFER FROM RESERVES		(49)	(2,083)
STATEMENT OF RETAINED PROFIT			
Balance at 1 April 1989		1,909	3,992
Currency retranslation		25,314	-
Transfer to profit and loss account		(49)	(2,083)
Balance at 31 March 1990		27,174	1,909

THORN EMI INTERNATIONAL HOLDINGS LIMITED

5

BALANCE SHEET - 31 MARCH 1990

	Notes	1990 £000	1989 £000
FIXED ASSETS			
Tangible Fixed Assets	4	19	20
Investments in group companies	5	802,176	683,994
		-----	-----
		802,195	684,014
CURRENT ASSETS			
Amount owed by group company		46,990	19,963
Debtors and Prepayments		12	4
		-----	-----
		47,002	19,967
CREDITORS: amount falling due within one year			
Bank loans and overdrafts		(120)	(17)
Amounts owed to group companies		(48,068)	(19,994)
Other Creditors and accruals		(14)	(46)
		-----	-----
		(48,202)	(20,057)
NET CURRENT ASSETS			
		(1,200)	(90)
		-----	-----
TOTAL ASSETS LESS CURRENT LIABILITIES			
		800,995	683,924
CREDITORS: amounts falling due after more than one year			
Amounts owed to group companies		(773,801)	(681,995)
		-----	-----
		27,194	1,929
		=====	=====
CAPITAL AND RESERVES			
Called up share capital	6	20	20
Profit and loss account		27,174	1,909

F. Achy

B.A. →

)
) Directors
) 14 AUG 1990

27,194
=====

1,929
=====

THORN EMI INTERNATIONAL HOLDINGS LIMITED

NOTES TO THE ACCOUNTS - 31 MARCH 1990

1 OTHER OPERATING INCOME

	1990 £000	1989 £000
Exchange Profit on Foreign currency balances	623	283
Dividends from subsidiaries	47,567	26,916
Management Fees	137	-
	-----	-----
	48,327	27,199
	=====	=====

2 TAXATION

Corporation tax at 35% (1989 - 35%)	(209)	(97)
Double taxation relief	209	97
	---	----
	-	-
Overseas withholding tax	(209)	(97)
	---	----
	(209)	(97)
	===	=====

The company is primarily liable for UK Corporation Tax on its profits. However, no provision has been made in these accounts for either current or deferred taxation, as an undertaking has been received from its ultimate holding company, THORN EMI plc, that the latter will assume all liability for any such taxation for accounting periods ending up to 31 March 1990, so long as the company remains a subsidiary. In view of the undertaking received, no disclosure is made in these accounts of any potential liability to taxation.

3 EXTRAORDINARY ITEM

	1990 £000	1989 £000
Profit on disposal of investment	16	-
	=====	=====

4. TANGIBLE FIXED ASSETS

Plant & Equipment
£000

Cost at 1st April 1989	20
Currency retranslation	3
Additions	2
	--
Cost at 31st March 1990	25
	--
Depreciation charge for year	(6)
	--
Net Book Value at 31st March 1990	19
	==

THORN EMI INTERNATIONAL HOLDINGS LIMITED

7

NOTES TO THE ACCOUNTS - 31 MARCH 1990

5 INVESTMENTS IN GROUP COMPANIES

	1990 £000
At 1 April 1989	683,994
Additions	118,293
Disposals	(111)

At 31 March 1990	802,176
	=====

The following are the principal group companies in which the company has a shareholding.

	Country of Incorporation	Classes of shares held	% of class held
THORN EMI Holdings BV Holland	Holland	Ordinary	100

Group accounts have not been prepared as the company is a wholly owned subsidiary of THORN EMI plc which is incorporated in England. In the opinion of the directors the value of the investments is not less than the amount shown on the balance sheet.

6 SHARE CAPITAL

	Authorised		Allotted and fully paid	
	1990 £000	1989 £000	1990 £000	1989 £000
'A' shares of £1 each	2	2	2	2
Ordinary shares of £1 each	19	19	18	18
	----	----	----	----
	21	21	20	20
	=====	=====	=====	=====

7 ULTIMATE HOLDING COMPANY

The ultimate holding company is THORN EMI plc which is incorporated in the England.