

GOOD MUSIC LIMITED

DIRECTORS' REPORT AND BALANCE SHEET

30 JUNE 1997

Registered Number : 406595



GOOD MUSIC LIMITED

DIRECTORS' REPORT

The directors submit their report and unaudited balance sheet and notes of the company for the year ended 30 June 1997.

REVIEW OF THE BUSINESS

The principal activity of the company is that of music publishing.

The company did not trade during the year and consequently made neither a profit nor a loss (1996: £Nil).

FUTURE PROSPECTS

The company is not expected to trade in the foreseeable future.

DIRECTORS

The directors who held office during the year were:

R Bala-Ratnam

P Curran

M Stanton (resigned 1 November 1997)

W Downs (appointed 1 November 1997)

At the year end none of the directors held any beneficial interest in the shares or options of the company (1996: None).

DIRECTORS' LIABILITY INSURANCE

During the year the company maintained liability insurance for its directors as permitted by Section 310 (3) of the Companies Act 1985.

DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit and 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 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.

GOOD MUSIC LIMITED

DIRECTORS' REPORT (Continued)

DIRECTORS' RESPONSIBILITIES (continued)

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 financial statements 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.

AUDITORS

Under the exemption for qualifying dormant companies in Section 250 of the Companies Act 1985, the company has not appointed auditors.

By order of the board

A handwritten signature in black ink, appearing to read 'P Wareham', is written over the printed name and title.

P Wareham
Secretary

5TH

February 1998

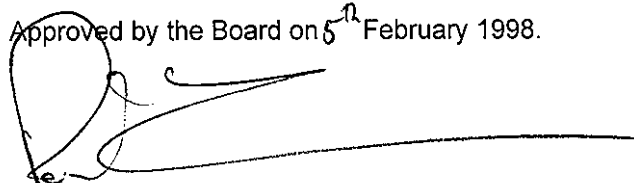
GOOD MUSIC LIMITED

BALANCE SHEET - 30 JUNE 1997

	<u>Notes</u>	<u>1997</u> £	<u>1996</u> £
CURRENT ASSETS			
Debtors	4	(1,089)	<u>1,089</u>
		1,089	1,089
CREDITORS (Amounts falling due within one year)	5	<u>(3,327)</u>	<u>(3,327)</u>
NET CURRENT LIABILITIES		<u>(2,238)</u>	<u>(2,238)</u>
NET ASSETS		<u>(2,238)</u>	<u>(2,238)</u>
EQUITY CAPITAL AND RESERVES			
Called up share capital	6	3,000	3,000
Profit and loss account		<u>(5,238)</u>	<u>(5,238)</u>
EQUITY SHAREHOLDERS' FUNDS	7	<u>(2,238)</u>	<u>(2,238)</u>

The Company was dormant within the meaning of Section 250 of the Companies Act 1985 throughout the year to 30 June 1997.

Approved by the Board on 5th February 1998.



P Curran
Director

The notes on pages 4 to 6 form part of these financial statements.

GOOD MUSIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 1997

1 ACCOUNTING POLICIES

(1) Accounting convention and standards

The financial statements have been prepared under the historical cost convention and in accordance with applicable Accounting Standards.

2 ACTIVITY

During the year the Company did not trade and did not incur any liabilities. Consequently, it made neither a profit nor a loss.

3 DIRECTORS AND EMPLOYEES

The average number of employees during the year was nil (1996: Nil).

None of the directors received any emoluments in respect of their services to the company during the year (1996: £Nil).

4 DEBTORS

	<u>1997</u>	<u>1996</u>
	£	£
Amounts due from group undertakings	966	966
Corporation tax receivable	<u>123</u>	<u>123</u>
	1,089	1,089
	<u>=====</u>	<u>=====</u>

GOOD MUSIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 1997 (CONTINUED)

5 CREDITORS - amounts falling due within one year

	<u>1997</u>	<u>1996</u>
	£	£
Amounts due to group undertakings	2,902	2,902
Accruals	<u>425</u>	<u>425</u>
	3,327	3,327
	<u>=====</u>	<u>=====</u>

6 CALLED UP SHARE CAPITAL

	<u>1997</u>	<u>1996</u>
	£	£
Authorised, allotted and fully paid:		
3,000 ordinary shares of £1 each (1996: 3,000)	<u>3,000</u>	<u>3,000</u>

7 RECONCILIATION OF MOVEMENT IN EQUITY SHAREHOLDERS' FUNDS

There was no movement in the equity shareholders' funds for the year.

8 ULTIMATE HOLDING COMPANY

The directors regard Bertelsmann AG, a company incorporated in Germany, as the company's ultimate holding company.

9 PARENT UNDERTAKING

The largest and smallest group for which group accounts are prepared, and of which the company is a member, is as follows:

Name	Bertelsmann AG
Country of incorporation	Germany
Address from where copies of the Group accounts can be obtained	Carl Bertelsmann Strasse 270 4830 Gütersloh 1 Germany

GOOD MUSIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 1997 (CONTINUED)

10 FINANCIAL POSITION

The ultimate parent company has confirmed that it is its present intention to finance the company so as to enable it to meet its liabilities as they fall due and carry on its business for the foreseeable future without significant curtailment of operations.