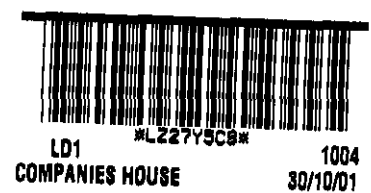


EMI PARADISE MUSIC LTD
ACCOUNTS FOR THE YEAR ENDING 31/3/01
REGISTERED NUMBER: 691827



EMI PARADISE MUSIC LIMITED

Directors: Mr M N Bandier
Mr P H C Reichardt
Mr T J Foster-Key
Mr T F Bradley
Mr C Mileson
Mr P J Cox
Ms S D Perryman
Mr J C Channon

Secretary: Mr C Mileson

Registered Office: 127 Charing Cross Road, London WC2H 0QY

REPORT OF THE DIRECTORS

The directors submit the audited accounts for the year ended 31st March 2001. The profit for the year amounted to £555 (2000 - £1,130). The directors recommend no dividend be paid (2000 - £nil) and therefore the profit of £555 (2000 - £1,130) is to be transferred to reserves.

PRINCIPAL ACTIVITIES AND REVIEW OF BUSINESS DEVELOPMENTS

The principal activity of the company continued to be that of music publishing. Business decreased during the year with a resultant decrease in profits. No material change in the activities of the business is contemplated.

DIRECTORS AND THEIR INTERESTS

The directors of the company during the year ended 31st March 2001 were those listed above. All the directors are also directors of EMI Music Publishing Limited and their interests in the share and loan capital of EMI GROUP plc, the ultimate parent undertaking, are disclosed in the directors' report of EMI Music Publishing Limited.

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

The parent undertaking, EMI GROUP plc, has maintained insurance to cover Directors' and Officers' liability as defined by section 310(3)(a) of the Companies Act 1985 (as amended).

AUDITORS

On 28th June 2001, Ernst & Young the Company's auditor, transferred its entire business to Ernst & Young LLP, a limited liability partnership incorporated under the Limited Liability Partnerships Act 2000. The directors consented to treating the appointment of Ernst & Young as extending to Ernst & Young LLP with effect from 28th June 2001. Ernst & Young LLP will be re-appointed as the Company's auditor in accordance with the elective resolution passed by the Company under section 386 Companies Act 1985, unless their appointment is brought to an end by a resolution at a meeting of the shareholders pursuant to a notice of such resolution duly deposited in accordance with section 393 of the Companies Act 1985.

By Order Of The Board



C Mileson
Secretary

Dated: 30 OCT 2001

EMI PARADISE MUSIC LIMITED

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; and
- 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.

EMI PARADISE MUSIC LIMITED

REPORT OF THE AUDITORS TO THE MEMBERS

We have audited the accounts on pages 4 to 8, which have been prepared under the historical cost convention and on the basis of 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 the accounts in accordance with applicable United Kingdom law and accounting standards. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you. Our responsibilities, as independent auditors, are established in the United Kingdom by Statute, the Accounting Practices Board and our profession's ethical guidance.

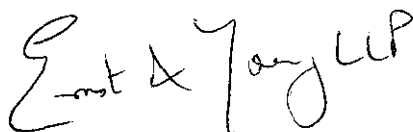
Basis of opinion

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 affairs of the company as at 31st March 2001 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



ERNST & YOUNG LLP
Registered Auditor
LONDON

30 OCT 2001

EMI PARADISE MUSIC LIMITED**PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 31ST MARCH 2001**

	<u>NOTES</u>	<u>2001</u>	<u>2000</u>
		£	£
TURNOVER	2	3,084	4,338
Cost of Sales		(1,476)	(1,821)
		<hr/>	<hr/>
GROSS PROFIT		1,608	2,517
Administration Expenses		(1,012)	(1,012)
		<hr/>	<hr/>
OPERATING PROFIT	3	596	1,505
Interest receivable and similar income	6	98	133
		<hr/>	<hr/>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		694	1,638
Tax on profit on ordinary activities	7	139	508
		<hr/>	<hr/>
RETAINED PROFIT FOR THE YEAR		<u>555</u>	<u>1,130</u>

STATEMENT OF RETAINED PROFITS

As at 1st April	23,230	22,100
Retained profit for the year	555	1,130
	<hr/>	<hr/>
At 31st March	<u>23,785</u>	<u>23,230</u>

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

There are no recognised gains or losses other than the profit for the year.

The notes on pages 6 to 8 form part of these accounts.

EMI PARADISE MUSIC LIMITED

BALANCE SHEET AT 31ST MARCH 2001

	<u>NOTES</u>	<u>2001</u>	<u>2000</u>
		£	£
CURRENT ASSETS			
Cash at bank and in hand		6,083	6,047
Debtors	8	<u>39,960</u>	<u>38,318</u>
		46,043	44,365
 CREDITORS: amounts falling due within one year	 9	 (22,158)	 (21,035)
 NET CURRENT ASSETS		 <u><u>23,885</u></u>	 <u><u>23,330</u></u>
 CAPITAL AND RESERVES			
Called up share capital	10	100	100
Profit and loss account	11	<u>23,785</u>	<u>23,230</u>
Equity shareholders' funds		<u><u>23,885</u></u>	<u><u>23,330</u></u>



DIRECTOR

30 OCT 2001

DATE

The notes on pages 6 to 8 form part of these accounts.

EMI PARADISE MUSIC LIMITED

NOTES TO THE ACCOUNTS AT 31ST MARCH 2001

1 ACCOUNTING POLICIES

(a) Accounting Convention

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

(b) Foreign Exchange

Transactions denominated in foreign currencies are translated into sterling and recorded at the rate of exchange ruling at the date of the transaction. Assets and liabilities expressed in foreign currencies are translated into sterling at the exchange rate ruling at the balance sheet date. All differences are taken to the profit and loss account.

2 TURNOVER

Turnover is defined as income from copyrights on a cash basis after deducting all commissions and any sales taxes levied on turnover.

In certain countries, the company has assigned its rights to royalty income to other undertakings of the EMI group.

All turnover is attributable to music publishing, the analysis by market being as follows:

	2001 £	2000 £
United Kingdom	2,946	3,530
Europe	118	1,112
Other	20	0
	<u>3,084</u>	<u>4,642</u>

3 OPERATING PROFIT

This is stated after charging:

	2001 £	2000 £
Auditors' remuneration	950	950
Bank charges	<u>62</u>	<u>62</u>

4 EMPLOYEES

The company has no employees.

EMI PARADISE MUSIC LIMITED

NOTES TO THE ACCOUNTS AT 31ST MARCH 2001 (continued)

5 EMOLUMENTS OF DIRECTORS

The directors are employed and remunerated as directors or executives of EMI Music Publishing Limited, the parent undertaking, for their services to the group as a whole. It is not practicable to split the emoluments across the group.

6 INTEREST RECEIVABLE AND SIMILAR INCOME

	2001	2000
	£	£
	98	133

7 TAX ON PROFIT ON ORDINARY ACTIVITIES

The taxation charge which is based on the profit for the year is made up as follows:

	2001	2000
	£	£
Current period corporation tax	139	508

United Kingdom corporation tax has been computed at 20% (1999 - 31%)

8 DEBTORS

	2001	2000
	£	£
Amounts owed by group undertakings	39,960	38,318
Taxation	-	-
Amounts owed by group undertakings	39,960	38,318

9 CREDITORS: amounts falling due within one year

	2001	2000
	£	£
Trade creditors	21,918	20,679
Corporation tax	240	355
	22,158	21,034

10 SHARE CAPITAL

	£	£
Authorised, allotted, called up and fully paid		
50 "A" shares of £1 each	50	50
50 "B" shares of £1 each	50	50
	100	100

The "A" & "B" shares rank parri passu in all respects apart from the fact that every "A" shareholder shall have two votes to every one vote held by a "B" shareholder.

EMI PARADISE MUSIC LIMITED**NOTES TO THE ACCOUNTS AT 31ST MARCH 2001 (continued)****11 RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENT ON RESERVES**

	SHARE CAPITAL £	PROFIT & LOSS A/C £	TOTAL £
At 1st April 1999	100	22,100	22,200
Profit for the year	-	1,130	1,130
Dividend	-	-	-
At 1st April 2000	100	23,230	23,330
Profit for the year	-	555	555
Dividend	-	-	-
At 31st March 2001	100	23,785	23,885

12 RELATED PARTY TRANSACTIONS

An amount of £39,960.29 was due from EMI Music Publishing Limited at 31st March 2001.