DIRECTORS' REPORT

The Directors present their report and the accounts for the year ended 31 March 2000.

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:

C L Christian

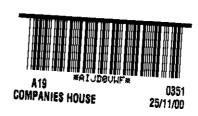
S M Cottis

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:

	Ordinary Shares		Options*			
	1/4/99	31/3/00	1/4/99	Granted Exercised / Renounced /99 During the Year		31/3/00
	1)4/99	31/3/00	1/4/33			31/3/00
C L Christian	_	-	2,299	2,334	2,299	2,334
S M Cottis	2,203	1,203	1,627	1,626	-	3,253

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



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 Limited

Secretary

Date: 6.11.2000

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; 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.

BALANCE SHEET - 31 MARCH 2000

	Note	2000 £	1999 £
CURRENT LIABILITIES: CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR			
Amount due to parent undertaking		(70,883)	(70,883)
			<u></u>
CAPITAL AND RESERVES			
Called up share capital Profit and loss account	2	100 (70,983)	100 (70,983)
		(70,883)	(70,883)
		-	·

The Company was dormant (within the meaning of Section 250 of the Companies Act 1985), throughout the year ended 31 March 2000.

Sm (olfs) Director(s)

6.11.2000

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

	2000 £	1999 £
Authorised	ı.	ı.
10,000 ordinary shares of £1 each	10,000	10,000
Allotted, called up and fully paid		
100 ordinary shares of £1 each	100	100

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.