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POLY

Private & confidential

The Directors
PolyGram (UK) Holdings Ltd
1 Sussex Place
London
W6 9XS

Our ref sac/tw/644

Contact Sean Collins
0171-311-2855

11 January 1999

Dear Sirs

Notice of resignation

Following the sale of PolyGram to Seagrams, we hereby give notice of our resignation as auditors of the companies indicated in Appendix 1 to this letter as '11-Jan-99' within the KPMG resignation column, with effect from today.

We enclose our statutory statement given in connection with our ceasing to act.

Yours faithfully

KPMG

KPMG

Enclosures:





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0171-311-2855

11 January 1999

Dear Sirs

Statement to the directors on ceasing to hold office as auditors pursuant to section 394 of the Companies Act 1985

In accordance with section 394 of the Companies Act 1985, we confirm that there are no circumstances connected with our ceasing to hold office that we consider should be brought to the attention of the members or creditors of the companies detailed in Appendix 1 to this letter as 'provided' within the Statutory statement column.

Yours faithfully

KPMG

KPMG

Enclosures:

PolyGram				
KPMG resignation as auditors				
<i>Statutory company</i>	<i>Regd. no.</i>	<i>Company status</i>	<i>KPMG resignation</i>	<i>Statutory statement</i>
Def American Ltd	2075311	believed dormant	11-Jan-99	provided
Go! Holdings Ltd	2376574	believed dormant	11-Jan-99	provided
International Television Services Ltd	886495	believed dormant	11-Jan-99	provided
ITC Distribution Ltd	514402	believed dormant	11-Jan-99	provided
ITC Entertainment Holdings Ltd	510330	believed dormant	11-Jan-99	provided
Round Vision Ltd (formerly ITC Film Distributors Ltd)	178318	believed dormant	11-Jan-99	provided
Tolly Music Ltd	2908373	believed dormant	11-Jan-99	provided
The UK Channel Ltd	2301363	believed dormant	11-Jan-99	provided
Aim Record Sales Ltd	2447825	dissolved - 2 Aug 1995	n/a	n/a
ITC Productions Ltd	2151150	dissolved - 28 Mar 1997	n/a	n/a
Adrawing Ltd	1860838	dormant - 1 Aug 1997	n/a	n/a
Amused Productions Ltd	917002	dormant - 30 Jul 1997	n/a	n/a
Argo Record Company Ltd	501088	dormant - 1 Aug 1997	n/a	n/a
Blab A Record Ltd	2873824	dormant - 1 Aug 1997 *	n/a	n/a
British Phonograph Records Ltd	326021	dormant - 1 Aug 1997	n/a	n/a
Brunswick Ltd	251326	dormant - 1 Aug 1997 *	n/a	n/a
Decca Recordings (Europe) Ltd	495571	dormant - 1 Aug 1997 *	n/a	n/a
DG Records Ltd	2534729	dormant - 1 Aug 1997	n/a	n/a
Edison Bell Records (England) Ltd	360679	dormant - 1 Aug 1997	n/a	n/a
Go! Records Ltd	2109639	dormant - 31 Oct 1995	11-Jan-99	provided
Goldhawk Productions Ltd	1195993	dormant - date unknown	n/a	n/a
Hammersmith Records Ltd	248936	dormant - 1 Aug 1997	n/a	n/a
Mercury Records Ltd	586873	dormant - 1 Aug 1997	n/a	n/a
Motown (UK) Ltd	2803563	dormant - 1 Aug 1997	n/a	n/a
Musical Rendezvous Ltd	1004457	dormant - 1 Aug 1997	n/a	n/a
Passport Services Ltd	2199259	dormant - 13 May 1997	n/a	n/a
Phonodisc Sales Ltd	974039	dormant - 1 Aug 1997	n/a	n/a
Phonogram Ltd	1975763	dormant - 1 Aug 1997	n/a	n/a
Phonogram Music Ltd	2368734	dormant - 1 Aug 1997	n/a	n/a
Polydor Ltd	880146	dormant - 1 Aug 1997	n/a	n/a
PolyGram Video International Ltd	879487	dormant - 1 Aug 1997	n/a	n/a
Polytel International Overseas Ltd	736425	dormant - 1 Aug 1997	n/a	n/a
Qualiton Records (1968) Ltd	927637	dormant - 1 Aug 1997	n/a	n/a
RM Productions (Film & Television) Ltd	634999	dormant - 1 Aug 1997	n/a	n/a
Snuffdit Ltd	859087	dormant - 1 Aug 1997	n/a	n/a
The Character Cafe Ltd	3175886	dormant - 1 Aug 1997	n/a	n/a
The Wild Card Label Ltd	2505360	dormant - 1 Aug 1997	n/a	n/a
Vision Video (Loose Connections) Ltd	1583342	dormant - 1 Aug 1997 *	n/a	n/a
Vision Video (Secret Places) Ltd	1737652	dormant - 1 Aug 1997 *	n/a	n/a
Vision Videolabel Ltd	2310303	dormant - 1 Aug 1997	n/a	n/a
A&M Records Ltd	951340	trading	11-Jan-99	provided
Abbey Broadcast Communications PLC	2428336	trading	11-Jan-99	provided
Abbey Home Entertainment Distribution PLC	2458768	trading	11-Jan-99	provided
Abbey Home Entertainment Holdings Ltd	2366525	trading	11-Jan-99	provided
Abbey Home Entertainment Licensing PLC	2509151	trading	11-Jan-99	provided
Africa Fete Ltd	2834246	trading	11-Jan-99	provided
Alto Music Ltd	959543	trading	11-Jan-99	provided
Arrietty Films Ltd	2485507	trading	11-Jan-99	provided
Britannia Music Company Ltd	1206311	trading	11-Jan-99	provided
Chubby World Tour Ltd	2249745	trading	11-Jan-99	provided
Debonaire Music Ltd	729279	trading	11-Jan-99	provided
Dick James Music Ltd	698804	trading	11-Jan-99	provided
DJM Records Ltd	947866	trading	11-Jan-99	provided
Dominic Music Ltd	930144	trading	11-Jan-99	provided
Edsel Films Ltd	3411745	trading	11-Jan-99	provided
Elizabeth Films Ltd (formerly Loch Ness Films Ltd)	2948329	trading	11-Jan-99	provided
Empire Music Ltd	1862392	trading	11-Jan-99	provided
Entertainment Today Ltd	513770	trading	11-Jan-99	provided
Gimell Records Ltd	1557759	trading	11-Jan-99	provided
Gralto Music Ltd	852014	trading	11-Jan-99	provided
Heliolodge Ltd	1957806	trading	11-Jan-99	provided
Hi Lo Films Ltd	3437546	trading	11-Jan-99	provided
Island Entertainment Group Ltd	2245537	trading	11-Jan-99	provided
Island Ltd	1661677	trading	11-Jan-99	provided
Island Music Ltd	761597	trading	11-Jan-99	provided
Island Records Ltd	723336	trading	11-Jan-99	provided
Island Visual Arts Ltd	1510527	trading	11-Jan-99	provided

PolyGram				
KPMG resignation as auditors				
Statutory company	Regd. no.	Company status	KPMG resignation	Statutory statement
Know Existence Ltd	2038004	trading	11-Jan-99	provided
Macleane Films Ltd (formerly Working Title Productions Ltd)	2927112	trading	11-Jan-99	provided
Mother Records Ltd	2805451	trading	11-Jan-99	provided
Norse Music Productions Ltd	1514104	trading	11-Jan-99	provided
Pageant Music Ltd	1001524	trading	11-Jan-99	provided
Paragon Publicity & Public Relations Ltd	864925	trading	11-Jan-99	provided
Petalcraft Demonstrations Ltd	1256944	trading	11-Jan-99	provided
PolyGram Film International Ltd	2918913	trading	11-Jan-99	provided
PolyGram Filmed Entertainment (UK) Ltd	1975478	trading	11-Jan-99	provided
PolyGram Manufacturing & Distribution Centres Ltd	2557710	trading	11-Jan-99	provided
PolyGram Music Publishing Ltd	860235	trading	11-Jan-99	provided
PolyGram UK Ltd	2075744	trading	11-Jan-99	provided
Producer Services Holdings Ltd	2483862	trading	11-Jan-99	provided
Producer Services Ltd	2040753	trading	11-Jan-99	provided
Propaganda Films Ltd	2448948	trading	11-Jan-99	provided
Quicksilver Recording Company Ltd	2281402	trading	11-Jan-99	provided
Rat Productions Ltd	3387050	trading	11-Jan-99	provided
Record Supervision Ltd	541916	trading	11-Jan-99	provided
Spencer Davis Music Ltd	913339	trading	11-Jan-99	provided
The Baldy Man Ltd	2538722	trading	11-Jan-99	provided
The Decca Record Company Ltd	718329	trading	11-Jan-99	provided
The Football Match Ltd (formerly Federations Films Ltd)	3069993	trading	11-Jan-99	provided
The Music Store Ltd	2781166	trading	11-Jan-99	provided
This Record Company Ltd	896031	trading	11-Jan-99	provided
Tiger Music Ltd	1042759	trading	11-Jan-99	provided
Vision Video (1984) Ltd	1514103	trading	11-Jan-99	provided
Vision Video (1989) Ltd	2349605	trading	11-Jan-99	provided
Vision Video (Electric Dreams) Ltd	1717840	trading	11-Jan-99	provided
Working Title (Bean) Ltd	3201245	trading	11-Jan-99	provided
Working Title Films Ltd	2755827	trading	11-Jan-99	provided
Working Title Ltd	2829566	trading	11-Jan-99	provided
Working Title TV Ltd	2253975	trading	11-Jan-99	provided
WT Adventures Ltd (formerly Planet Zog Ltd)	2509384	trading	11-Jan-99	provided
New GS Records Ltd (formerly Gee St Records Ltd)	2030015	trading	n/a (Ernst & Young)	n/a
210 South Street Property Company Ltd	2699678	trading	outstanding	outstanding
Backcite Ltd (formerly PolyGram (UK) Holdings Ltd)	2358972	trading	outstanding	outstanding
Campania Ltd	2285229	trading	outstanding	outstanding
Go! Discs Ltd	1768014	trading	outstanding	outstanding
ITC Entertainment Group Ltd	608490	trading	outstanding	outstanding
Makeback Ltd (formerly PolyGram Leisure Ltd)	536224	trading	outstanding	outstanding
PolyGram (UK) Holdings Ltd (formerly Backcite Ltd)	3383881	trading	outstanding	outstanding
PolyGram Films (UK) Ltd	947098	trading	outstanding	outstanding
PolyGram International Ltd	1778189	trading	outstanding	outstanding
PolyGram International Music Publishing Ltd	2050403	trading	outstanding	outstanding
PolyGram Leisure Ltd (formerly Makeback Ltd)	3384487	trading	outstanding	outstanding
PolyGram Licensing Ltd (formerly PolyGram Merchandising Ltd)	3049279	trading	outstanding	outstanding
PolyGram Record Operations Ltd	950138	trading	outstanding	outstanding
Portrait of a Lady Ltd	3007881	trading	outstanding	outstanding
Systemtactic Ltd (trading as Go! Beat)	3298048	trading	never appointed	never appointed
Vision Video Ltd	1215334	trading	outstanding	outstanding
* believed to be in the process of being struck-off				