

VIRGIN EG RECORDS LIMITED

ACCOUNTS

31 MARCH 1995

COMPANY'S REGISTRATION NUMBER 961209



VIRGIN EG RECORDS LIMITED

Report of the directors

The directors present their report and the accounts for the year ended 31 March 1995.

RESULTS AND PRINCIPAL ACTIVITIES

The company did not trade during the financial year. There is no intention to place the company into liquidation.

DIVIDENDS

The directors do not recommend the payment of a dividend (1994: nil).

DIRECTORS

The directors of the company during the year were:

K M Berry (resigned 1 April 1994)
S M Macleod (resigned 1 April 1994)
J P A Toone (appointed 1 April 1994)
W MacMillan (appointed 1 April 1994)

There are no directors' interests requiring disclosure under the Companies Act 1985.

In addition J P A Toone resigned as a director on 1 September 1995.

VIRGIN EG RECORDS LIMITED

Report of the directors

AUDITORS

A special resolution was passed in 1994 to do away with the need to reappoint auditors annually.

By Order of the Board

A handwritten signature in black ink, appearing to read 'W. Mac-Millan', with a stylized flourish at the end.

W MacMillan
Director

Kensal House
553-579 Harrow Road
LONDON
W10 4RH

13th Sept 1995

VIRGIN EG RECORDS 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;
- . state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; 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.

REPORT OF THE AUDITORSTO THE MEMBERS OF VIRGIN EG RECORDS LIMITED

We have audited the accounts on pages 5 to 8 which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

As described on page 3 the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

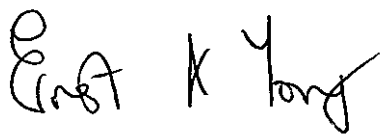
Basis of opinion

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 at 31 March 1995 and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young
Chartered Accountants
Registered Auditor
London

20th September 1995 -

VIRGIN EG RECORDS LIMITED
Balance sheet at 31 March 1995

	<u>Notes</u>	<u>1995</u>	<u>1994</u>
		£	£
CREDITORS: Amounts falling due within one year	6	(1,774,157)	(1,774,157)
		<u> </u>	<u> </u>
NET CURRENT LIABILITIES		<u> </u>	<u> </u>
		<u> </u>	<u> </u>
CAPITAL AND RESERVES			
Called up share capital	7	150,000	150,000
Profit & loss account	8	(1,924,157)	(1,924,157)
		<u> </u>	<u> </u>
		<u> </u>	<u> </u>
		<u> </u>	<u> </u>

The accounts on pages 5 to 8 were approved by the Board of Directors on
and signed on its behalf by:

W. Zencle

DIRECTOR

13th Sept 1995

VIRGIN EG RECORDS LIMITED

Notes to the accounts
for the year ended 31 March 1995

1. ACCOUNTING POLICIES

The following significant accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's accounts.

a) Basis of accounting

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

b) Cash flow statement

A cash flow statement is not prepared as the company is exempt by virtue of paragraph 8 of FRS1 being a subsidiary undertaking of a parent undertaking registered in England and Wales which prepares a consolidated cash flow statement.

2. PROFIT AND LOSS ACCOUNT

The company has not traded during the financial year and has made neither a profit nor a loss. No profit and loss account has therefore been prepared.

3. AUDITORS' REMUNERATION

The auditors' remuneration was paid by the parent company.

4. EMPLOYEE INFORMATION

The company had no employees during the year (1994: nil).

VIRGIN EG RECORDS LIMITEDNotes to the accountsfor the year ended 31 March 1995

5. DIRECTORS' EMOLUMENTS

The directors received no emoluments during the year (1994: nil).

6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	1995	1994
	£	£
Amounts owed to group undertakings	<u>1,774,157</u>	<u>1,774,157</u>

7. SHARE CAPITAL

	1995	1994
	£	£
150,000 authorised, allotted called up and fully paid ordinary shares of £1 each	<u>150,000</u>	<u>150,000</u>

8. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENT ON RESERVES

	Share Capital	Profit and Loss	Total
	£	£	£
At 1 April 1993, 1 April 1994 and 31 March 1995	<u>150,000</u>	<u>(1,924,157)</u>	<u>(1,774,157)</u>

9. CONTINGENT LIABILITY

The company has undertaken together with certain UK undertakings within the THORN EMI plc group to give joint and several guarantees to the bank in respect of amounts due to the bank from the company and other group undertakings.

VIRGIN EG RECORDS LIMITED

Notes to the accounts
for the year ended 31 March 1995

10. ULTIMATE PARENT UNDERTAKING

The ultimate parent undertaking at 31 July 1995 was THORN EMI plc. The parent undertaking of the largest and smallest group of undertakings for which group accounts are drawn up and of which the company is a member is THORN EMI plc. Copies of THORN EMI plc's accounts can be obtained from:-

THORN EMI plc
4 Tenterden Street
Hanover Street
London
W1A 2AY
ENGLAND