

ACCOUNTS

31 DECEMBER 1975

In accordance with Section 127 of the Companies Act 1948 we certify that the attached accounts with the accompanying reports are true copies as laid before the company in the general meeting.

Paul Beaumont Director
Paul C. Long Secretary



TRAIN SCOTT & CO.

Chartered Accountants



VIRGIN MUSIC (PUBLISHERS) LIMITEDREPORT OF THE DIRECTORS

To be presented to the Members of the Company
at the Annual General Meeting

The directors submit their annual report and the audited accounts for the year ended 31 December 1975.

RESULTS

	£
The loss for the year, before taxation amounts to	(367,319)
A taxation credit arises of	174,150
Leaving a net loss after taxation	(193,169)
Balance brought forward	19,759
Leaving a balance carried forward of	<u>(£173,410)</u>

PRINCIPAL ACTIVITIES

The principal activity continues to be the collection of 'mechanical' royalties on behalf of the artists and the registration and licencing of songs and other music.

EXPORTS

Exports for the year amounted to £230,000 (1974 Nil).

DIRECTORS

The directors throughout the year and their interests in the share capital of the company are as follows:-

	<u>Ordinary Shares</u>	
	<u>31 December 1975</u>	<u>1 January 1975</u>
*R.C.N. Branson	1	1
N.M. Powell	—	—

*Held as nominee for Virgin Records (Holdings) Limited

AUDITORS

Train Scott & Co., continue in office in accordance with Section 159(2) Companies Act 1948.

By Order of the Board

N.M. Powell

Secretary.

2, Vernon Yard,
119, Portobello Road,
London, W11.

VIRGIN MUSIC (PUBLISHERS) LIMITED

REPORT OF THE AUDITORS

TO THE MEMBERS OF VIRGIN MUSIC (PUBLISHERS) LIMITED

We have examined the accounts set out on pages 3 to 7. These have been prepared under the historical cost convention.

In Our opinion, these accounts give, under the accounting convention stated above, a true and fair view of the state of the Company's affairs at 31 December 1975 and of the loss for the year ended on that date, and comply with the Companies Acts 1948 and 1967.

9, Basinghall Street,
London, EC2V 5BQ.

TRAIN SCOTT & CO
Chartered Accountants.

10 January 1977

VIRGIN MUSIC (PUBLISHERS) LIMITED

BALANCE SHEET 31 DECEMBER 1975

	Note	£	£	1974 £
<u>FIXED ASSETS</u>	2.		937	-
<u>CURRENT ASSETS</u>				
Debtors		120,033		1,808
Amount due from Group Companies		240,288		-
Cash at Bank and in Hand		184,409		92,135
		<u>544,730</u>		<u>93,943</u>
Less <u>CURRENT LIABILITIES</u>				
Creditors		7,351		33,861
Amount due to Group Companies		6,500		39,814
Taxation	6.	-		409
		<u>13,851</u>		<u>74,084</u>
			530,879	19,859
			<u>531,816</u>	<u>19,859</u>
<u>DEFERRED TAXATION</u>	6.		(126)	-
			531,690	19,859
<u>LOAN FROM A FELLOW SUBSIDIARY</u>	7.		705,000	-
<u>ORDINARY SHAREHOLDERS INTERESTS</u>	3.		(£173,310)	£19,859

R C N BRANSON
.....

DIRECTORS

N POWELL
.....

VIRGIN MUSIC (PUBLISHERS) LIMITEDPROFIT AND LOSS ACCOUNTFor the year ended 31 December 1975

	<u>Note</u>	£	£	<u>1974</u> £
<u>TURNOVER</u>	5.		<u>£430,000</u>	<u>£148,000</u>
<u>TRADING PROFIT</u> before charging:-			123,575	34,410
Directors Emoluments	4.	-		-
Fees		-		-
Other Emoluments		-		-
Depreciation of Fixed Assets		313		-
Auditors Remuneration		600		500
Bank Interest		<u>489,981</u>		-
			<u>490,894</u>	<u>500</u>
<u>PROFIT/(LOSS) BEFORE TAXATION</u>			<u>(367,319)</u>	<u>33,910</u>
Taxation Credit	6.		<u>174,150</u>	<u>17,633</u>
			<u>(193,169)</u>	<u>16,277</u>
Balance brought forward			<u>19,759</u>	<u>3,482</u>
<u>BALANCE CARRIED FORWARD</u> 31 December 1975	3.		<u><u>(£173,410)</u></u>	<u><u>£19,759</u></u>

VIRGIN MUSIC (PUBLISHERS) LIMITEDNOTES TO THE ACCOUNTS31 DECEMBER 19751. ACCOUNTING POLICIESa) Depreciation

Depreciation has been provided on capital expenditure at rates calculated to write off each asset over its estimated remaining life.

b) Deferred Taxation

Deferred taxation is provided at 52% on the amount by which taxation allowances exceed the charge for depreciation on those assets qualifying for allowances.

2. FIXED ASSETS

	<u>Motor Vehicles</u>	<u>Plant and Equipment</u>	<u>Total</u>
	£	£	£
<u>Cost</u>			
1 January 1975	-	-	-
Additions	925	325	1,250
	<u>925</u>	<u>325</u>	<u>1,250</u>
31 December 1975	925	325	1,250
<u>Depreciation</u>	<u>231</u>	<u>82</u>	<u>313</u>
<u>Net Book Value - 1975</u>	<u>£694</u>	<u>£243</u>	<u>£937</u>

3. ORDINARY SHAREHOLDERS INTERESTS

	<u>1975</u>	<u>1974</u>
	£	£
Ordinary Shares		
Authorised, Issued and Fully Paid		
100 Shares of £1 each	100	100
Profit and Loss Account	(173,410)	19,759
	<u>(£173,310)</u>	<u>£19,859</u>

4. DIRECTORS EMOLUMENTS

	<u>1975</u>	<u>1974</u>
Chairman	Nil	Nil
Highest Paid Director	Nil	Nil
Other Directors		
£0 - £2,500	1	1

VIRGIN MUSIC (PUBLISHERS) LIMITEDNOTES TO THE ACCOUNTS31 DECEMBER 19755. TURNOVER

Turnover consists of net publishing royalties receivable.

	<u>1975</u>	<u>1974</u>
	£	£
Outside the Group	430,000	-
Other Group Companies	-	148,000
	<u>£430,000</u>	<u>£148,000</u>

6. TAXATION CREDIT

Corporation Tax has been provided at the rate of 52% (1974 52%) based on the profit for the year.

i) The credit for taxation comprises:-

	<u>1975</u>	<u>1974</u>
	£	£
Corporation Tax	-	-
Deferred Taxation	126	-
Group Relief	(174,200)	(17,633)
Overprovision in prior years	(76)	-
	<u>(£174,150)</u>	<u>(£17,633)</u>

ii) The taxation balances comprise:-

Corporation Tax payable 1 October 1976	-	£409
Deferred Taxation	(£126)	-

iii) The company's excess charges for taxation purposes will be surrendered to other group companies by way of group relief.

7.i) The interest charge for the year is interest due for the period ending in April 1985 on a loan of £705,000 obtained during the year.

ii) The loan from a fellow subsidiary is not due for repayment before April 1985. No further interest is due during the period ending in April 1985.

VIRGIN MUSIC (PUBLISHERS) LIMITED

NOTES TO THE ACCOUNTS

31 DECEMBER 1975

8. MORTGAGE DEBENTURE

The bank holds a Mortgage Debenture over all the assets of the company.

9. HOLDING COMPANY

The company is a subsidiary of Virgin Records (Holdings) Limited, which is incorporated in England and whose holding is 91%.

10. CONTINGENT LIABILITIES

A Guarantee has been given in respect of the bank overdrafts of other group companies.