

1145231

VIRGIN MUSIC LIMITED

Report and Accounts

31 March 2000

 ERNST & YOUNG



# Virgin Music Limited

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Registered No. 01145231

## **DIRECTORS**

P S Robinson  
P A Kernick

## **SECRETARY**

Mawlaw Secretaries Limited

## **AUDITORS**

Ernst & Young  
Becket House  
1 Lambeth Palace Road  
London SE1 7EU

## **REGISTERED OFFICE**

Kensal House  
553-579 Harrow Road  
London W10 4RH

DIRECTORS' REPORT

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

**RESULTS AND DIVIDENDS**

The company did not trade during the financial year. The expenses of the company have been met by the parent undertaking. There is no intention to put the company into liquidation.

**DIVIDENDS**

The directors do not recommend the payment of a dividend (1999 – £nil).

**DIRECTORS AND THEIR INTERESTS**

The directors of the company at 31 March 2000 are as listed below. The only interest held by the directors in the share capital and loan stocks of the company's ultimate parent undertaking at that date, EMI Group plc, or any subsidiary undertaking thereof, were ordinary shares and options to purchase ordinary shares of EMI Group plc, granted in accordance with the provisions of that company's share option schemes, as follows:

	<i>At 31 March 2000</i>		<i>At 31 March 1999</i>	
	<i>Options over</i>		<i>Options over</i>	
	<i>Ordinary shares</i>	<i>ordinary shares</i>	<i>Ordinary shares</i>	<i>ordinary shares</i>
P S Robinson	2,227	10,972	2,216	4,068
P A Kernick	–	4,066	–	–

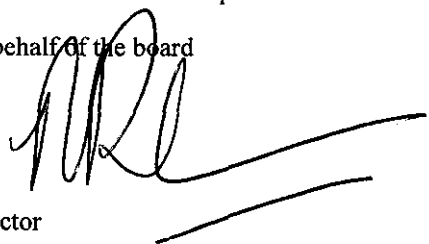
The directors of the company are not subject to retirement by rotation or otherwise.

**AUDITORS**

A special resolution was passed in 1993 to dispense with the need to reappoint auditors annually.

On behalf of the board

Director



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 AUDITORS**

to the members of Virgin Music Limited

We have audited the accounts on pages 5 to 7, 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 3, 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 Auditing Practices Board and by our profession's ethical guidance.

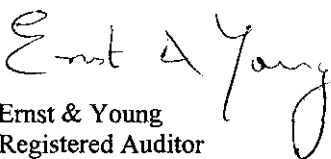
**Basis of opinion**

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 31 March 2000 and have been properly prepared in accordance with the Companies Act 1985.

  
Ernst & Young  
Registered Auditor  
London

25 January 2001

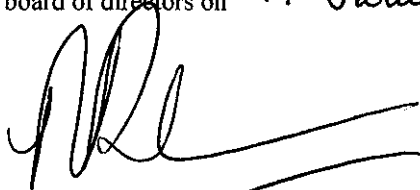
# Virgin Music Limited

## BALANCE SHEET at 31 March 2000

	Notes	2000 £	1999 £
<b>CURRENT ASSETS</b>			
Debtors	6	10,506,578	10,506,578
<b>CREDITORS: amounts falling due within one year</b>	7	(10,380,168)	(10,380,168)
<b>NET CURRENT ASSETS</b>		<u>126,410</u>	<u>126,410</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>126,410</u>	<u>126,410</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	8	100	100
Profit and loss account	9	126,310	126,310
<b>EQUITY SHAREHOLDERS' FUNDS</b>		<u>126,410</u>	<u>126,410</u>

The accounts were approved by the board of directors on  
and signed on its behalf by:

19<sup>th</sup> January 2001



Director

# Virgin Music Limited

## NOTES TO THE ACCOUNTS

at 31 March 2000

### 1. ACCOUNTING POLICIES

#### *Basis of accounting*

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

#### *Cash flow statement*

A cash flow statement is not prepared as the company is exempt by virtue of paragraph 8 of FRS 1 being a subsidiary undertaking of a parent undertaking registered in England and Wales which prepares a consolidated cash flow statement.

### 2. STAFF COSTS

The company had no employees during the year (1999 – nil).

### 3. 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.

### 4. DIRECTORS' EMOLUMENTS

The directors received no emoluments during the year (1999 – £nil).

### 5. AUDITORS' REMUNERATION

The auditors' remuneration was paid by the parent undertaking.

### 6. DEBTORS

	2000 £	1999 £
Amounts due from fellow subsidiary undertakings	10,506,478	10,506,478
Other debtors	100	100
	<u>10,506,578</u>	<u>10,506,578</u>

### 7. CREDITORS: amounts falling due within one year

	2000 £	1999 £
Amounts owed to group undertakings	10,380,168	10,380,168
	<u>10,380,168</u>	<u>10,380,168</u>

# Virgin Music Limited

## NOTES TO THE ACCOUNTS at 31 March 2000

### 8. SHARE CAPITAL

	2000 £000	1999 £000
Authorised: 100 Ordinary shares of £1 each	100	100
Allotted, called up and fully paid: 100 Ordinary shares of £1 each	100	100

### 9. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENTS ON RESERVES

	Share capital £	Profit and loss account £	Total £
At 31 March 2000	100	126,310	126,410

### 10. CONTINGENT LIABILITIES

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

### 11. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption under Financial Reporting Standard 8 – Related Party Disclosures (FRS 8) not to disclose related party transactions between wholly owned group undertakings.

### 12. ULTIMATE PARENT UNDERTAKING

The ultimate parent undertaking of the group of undertakings for which group accounts were drawn up for the year ended 31 March 2000 and of which the company was a member was EMI Group plc, registered in England and Wales.

Copies of EMI Group plc's accounts can be obtained from:

EMI Group plc  
4 Tenterden Street  
Hanover Street  
London W1A 2AY  
England