

Bardell Smith Publishing Limited

Report and Financial Statements

31 March 2004



Bardell Smith Publishing Limited

Registered No: 1182469

Directors

P H C Reichardt

T J Foster-Key

P J Cox

C Mileson

J C Channon

C W Booth (appointed 2 September 2003)

T F Bradley (resigned 31 July 2003)

S D Perryman (resigned 2 December 2003)

Secretary

C Mileson

Auditors

Ernst & Young LLP

1 More London Place

London

SE1 2AF

Bankers

National Westminster

PO Box 2162

20 Dean Street

London W1A 1SX

Solicitors

Mayer, Brown, Rowe and Maw LLP

11 Pilgrim Street

London

EC4V 6RN

Registered office

Publishing House

127 Charing Cross Road

London

WC2H 0QY

Directors' report

The directors present their report and financial statements for the year ended 31 March 2004.

Results and dividends

The loss for the year amounted to £124. The directors do not recommend the payment of any dividends.

Principal activities and review of the business

The principal activity of the company continued to be that of music publishing. No material change in the activities of the business is contemplated.

Directors

The directors at 31 March 2004 are listed on page 1.

The only directors to have any interests in the share capital and loan stock of undertakings in the EMI Group plc during the year were:

	31 March 2004	1 April 2003
<i>Options over ordinary shares of EMI Group plc</i>		
T J Foster-Key	182,374	151,962
P H C Reichardt	1,430,597	842,419
S D Perryman	-	41,858
P J Cox	6,404	7,144
J C Channon	19,066	19,066
T F Bradley	-	9,183
C Milesen	3,610	2,991
M N Bandier*		
	31 March 2004	1 April 2003
<i>Ordinary shares held in EMI Group plc</i>		
P H C Reichardt	26,095	33,691
S D Perryman	-	4,060
P J Cox	36	36
J C Channon	1,084	1,084
M N Bandier*		

During the year options over shares were granted, lapsed and exercised as follows:

	Options granted	Options lapsed	Options exercised
T J Foster-Key	79,973	36,772	6,385
P H C Reichardt	753,630	77,746	92,966
C Milesen	-	1,627	-

*M N Bandier is a director of the company's ultimate parent undertaking, EMI Group plc, and his interests in the shares of that company as at 1 April 2003 and 31 March 2004 are shown in its annual report.

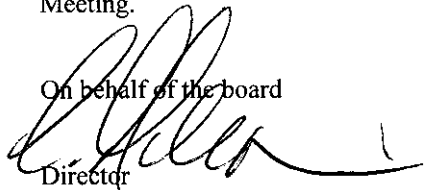
The parent undertaking, EMI Group plc, has maintained insurance to cover directors' and officers' liability as defined by section 310(3)(a) of the Companies Act 1985 (as amended).

Directors' report

Auditors

A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting.

On behalf of the board



Director

27 AUG 2004

Statement of directors' responsibilities in respect of the financial statements

Company law requires the directors to prepare financial statements 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 financial statements, 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 financial statements 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 financial statements 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.

Independent auditors' report

to the members of Bardell Smith Publishing Limited

We have audited the company's financial statements for the year ended 31 March 2004 which comprise the Profit and Loss Account, Statement of Total Recognised Gains and Losses, Balance Sheet and the related notes 1 to 11. These financial statements have been prepared on the basis of the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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 financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, 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 financial statements 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 financial statements.

Independent auditors' report

to the members of Bardell Smith Publishing Limited (continued)

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 31 March 2004 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


Ernst & Young LLP
Registered Auditor
London

27 August 2004

Profit and loss account

for the year ended 31 March 2004

	Notes	2004 £	2003 £
Turnover	2	1,632	1,926
Cost of sales		(979)	(1,118)
Gross profit		653	808
Distribution costs		(110)	(114)
Administrative expenses		(667)	(644)
(Loss)/profit on ordinary activities before taxation	3	(124)	50
Tax on (loss)/profit on ordinary activities	6	—	—
(Loss)/profit retained for the financial year		(124)	50

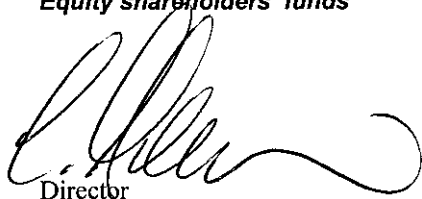
Statement of total recognised gains and losses

There are no recognised gains or losses other than the loss of £124 attributable to the shareholders for the year ended 31 March 2004 (2003 - profit of £50).

Balance sheet

at 31 March 2004

	Notes	2004 £	2003 £
Creditors: amounts falling due within one year	7	(4,050)	(3,926)
Total assets less current liabilities		<u>(4,050)</u>	<u>(3,926)</u>
Capital and reserves			
Called up share capital	8	100	100
Profit and loss account	9	(4,150)	(4,026)
Equity shareholders' funds	9	<u>(4,050)</u>	<u>(3,926)</u>


Director

27 AUG 2004

Notes to the financial statements

at 31 March 2004

1. Accounting policies

Basis of preparation

The financial statements are prepared under the historical cost convention.

Cash flow statement

The directors have taken advantage of the exemption in FRS 1 (revised) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its parent publishes consolidated financial statements

Related party transactions

The company has taken advantage of the exemption from disclosing transactions with other group undertakings and qualifying related parties under FRS 8.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date.

All differences are taken to the profit and loss account.

Going concern

The financial statements have been prepared under the going concern concept on the basis that funds will continue to be made available by the parent undertaking as necessary to enable the company to meet its liabilities as they fall due.

2. Turnover

The company's turnover is wholly attributable to its principal activity and the directors do not believe that any part of the company's worldwide market is significantly different to any other.

Turnover is defined as income from copyrights on a cash basis after deducting all commissions and any sales related taxes levied on turnover.

All turnover arises from continuing activities. In certain countries, the company has assigned its rights to royalty income to other undertakings of the EMI Group.

An analysis of turnover by geographical market is given below:

	2004 £	2003 £
United Kingdom	<u>1,632</u>	<u>1,926</u>

3. Operating (loss)/profit

This is stated after charging:

	2004 £	2003 £
Auditors' remuneration - audit services	<u>479</u>	<u>465</u>

Management charges of £299 (2003 - £293) have been split between distribution costs and administrative expenses in the profit and loss account.

Notes to the financial statements

at 31 March 2004

4. Directors' emoluments

The directors of the company are also directors of EMI Music Publishing Limited and fellow subsidiaries. The directors received a total remuneration for the year of £3,809,488 (2003 - £3,557,853), all of which was paid by EMI Music Publishing Limited. The directors do not believe that it is practicable to apportion this amount between their services as directors of the company and their services as directors of EMI Music Publishing Limited and fellow subsidiary undertakings.

5. Staff costs

The company had no employees (2003 - none).

6. Tax on loss on ordinary activities

The company is primarily liable for UK corporation tax on its profits. However, no provision has been made in these financial statements for either current or deferred taxation as an undertaking has been received from its ultimate parent undertaking, EMI Group plc, that the latter will assume all liability for any such taxation for accounting periods ending up to 31 March 2004 so long as the company remains a subsidiary. In view of the undertaking received, no disclosure is made in these financial statements of any potential liability to taxation.

7. Creditors: amounts falling due within one year

	2004 £	2003 £
Trade creditors	1,333	1,367
Amounts owed to group undertakings	2,682	2,529
Other taxation and social security	35	30
	<u>4,050</u>	<u>3,926</u>

8. Share capital

	2004 £	Authorised 2003 £
Ordinary shares of £1 each	<u>100</u>	<u>100</u>

	Allotted, called up and fully paid	
	2004	2003
	No.	No.
	£	£
Ordinary shares of £1 each	100	100
	<u>100</u>	<u>100</u>

Notes to the financial statements

at 31 March 2004

9. Reconciliation of shareholders' funds and movement on reserves

	<i>Share capital</i>	<i>Profit and loss</i>	<i>Total share-</i>
	<i>£</i>	<i>account</i>	<i>holders' funds</i>
	<i>£</i>	<i>£</i>	<i>£</i>
At 1 April 2002	100	(4,076)	(3,976)
Profit for the year	—	50	50
At 31 March 2003	100	(4,026)	(3,926)
Loss for the year	—	(124)	(124)
At 31 March 2004	100	(4,150)	(4,050)

10. Related party transactions

The company has taken advantage of the exemption from disclosing transactions with other group undertakings and qualifying related parties under FRS 8.

11. Ultimate parent company

The parent undertaking of the group of undertakings for which consolidated financial statements 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 financial statements can be obtained from EMI Group plc, 27 Wrights Lane, London W8 5SW, England.